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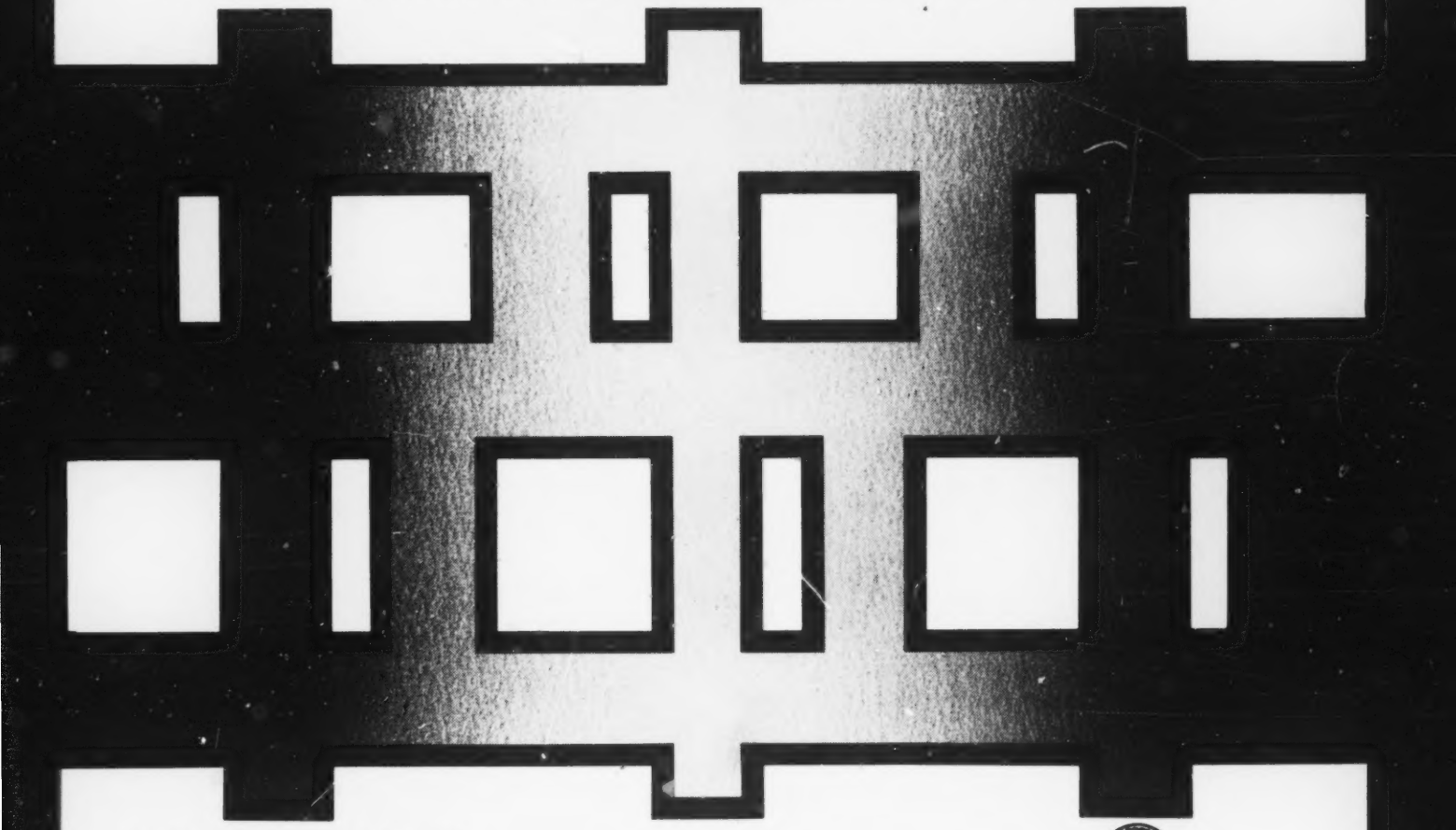
29th Annual Costs-of-Doing Business Survey 1979

Compiled and Analyzed by Alexander Grant & Co., Prudential Plaza, Chicago, Ill. 60601



Product Lines Analyzed

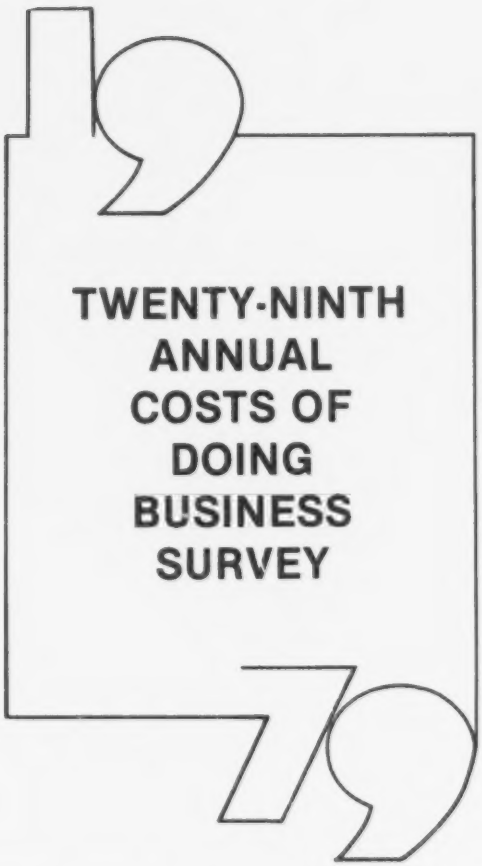
- Full line retail store
- Athletic team sales
- Trophies
- Ski equipment
- Firearms/Reloading
- Backpacking/Camping

NATIONAL SPORTING GOODS ASSOCIATION

NATIONAL SPORTING GOODS ASSOCIATION
1979 COSTS OF DOING BUSINESS SURVEY

CONTENTS

		Page
	Instructions for Comparative Worksheets	2
All Respondents	Highlights for 1979	5
	Characteristics of Participants	6
	Sales and Inventory Analysis	8
	Operating Expense Analysis	14
	Operating Ratio Analysis	16
	Financial Ratio Analysis	26
Team Distributors	Highlights for 1979	29
	Characteristics of Participants	30
	Sales and Inventory Analysis	33
	Operating Expense Analysis	34
	Operating Ratio Analysis	36
	Balance Sheet Ratio Analysis	42
	Financial Ratio Analysis	45
Trophy Shops	Highlights for 1979	47
	Characteristics of Participants	48
	Sales and Inventory Analysis	50
	Operating Expense Analysis	52
	Operating Ratio Analysis	54
	Balance Sheet Ratio Analysis	60
	Financial Ratio Analysis	63
Ski Retailers	Highlights for 1979	65
	Characteristics of Participants	66
	Sales and Inventory Analysis	68
	Operating Expense Analysis	70
	Operating Ratio Analysis	72
	Balance Sheet Ratio Analysis	78
	Financial Ratio Analysis	81
Firearms Retailers	Highlights for 1979	83
	Characteristics of Participants	84
	Sales and Inventory Analysis	86
	Operating Expense Analysis	88
	Operating Ratio Analysis	90
	Balance Sheet Ratio Analysis	96
	Financial Ratio Analysis	99
Camping Retailers	Highlights for 1979	101
	Characteristics of Participants	102
	Sales and Inventory Analysis	104
	Operating Expense Analysis	106
	Operating Ratio Analysis	108
	Balance Sheet Ratio Analysis	114
	Financial Ratio Analysis	117
Glossary	Glossary of Terms	119
	Definition of Ratios	126



NATIONAL SPORTING GOODS ASSOCIATION
717 North Michigan Avenue — Chicago, Illinois 60611

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INSTRUCTIONS FOR COMPARATIVE WORKSHEETS

On the next two pages, space is provided for comparing individual ratios to group ratios. The worksheets translate the difference in these ratios to dollars "overspent" and "underspent."

Step 1 — Enter your 1979 dollar figures in column 1.

Step 2 — On the income and expense worksheet, convert these dollars to percentages by dividing each line item by the dollar amount of net sales (net sales is equal to 100%.) Enter the result in column 2 for each line item. On the balance sheet worksheet, convert your 1978 dollar figures to percentages by dividing each line item by the dollar amount of total assets. Enter the result in column 2 for each line item.

Step 3 — In column 3, record ratios for the group with which you wish to compare your operating results. You may wish to make copies of the worksheets to provide comparisons with more than one group.

Step 4 — Subtract the group ratios from your individual ratios for each item and record the result in column 4. If your ratio is higher than the group ratio, put a "+" in front of the amount of the variance. If the group ratio is higher, use a "-" sign. (Note that a "+" sign in front of a variance on gross profit, operating profit, other income, or income before taxes is a favorable sign while a "+" sign in any item of cost or expense is an unfavorable sign.)

Step 5 — On the income and expense worksheet, multiply each variance in column 4 by the dollar amount of net sales and record the answer in column 5. Be sure to retain the "+" or "-" sign used in column 4. (For example, if your net sales figure is $150,000 and the ratio variance for a particular item in column 4 is +0.3%, the answer in column 5 would be +$450.) On the balance sheet worksheet, multiply each variance in column 4 by the dollar amount of total assets and record the answer in column 5.

What now appears in column 5 is the difference, in dollars, between your results of operations and what those results would have been were those operations exactly equal to the average experience of the group.

WORKSHEET

STATEMENT OF INCOME AND EXPENSE

	(1) Your 1979 dollar results	(2) Your 1978 ratios	(3) Group ratios	(4) Ratio variances (+ or -)	(5) Dollar variances (+ or -)
Net sales	$	100.0%	100.0%	%	$
Cost of goods sold					
GROSS PROFIT					
Operating expenses					
Salaries and wages					
Payroll taxes					
Licenses and other taxes, except income taxes					
Advertising, promotion and publicity					
Professional Services					
Rent					
Repairs and Maintenance					
Light, heat and water					
Auto and delivery expense					
Depreciation					
Store & office supplies					
General postage					
Telephone and telegraph					
Travel & entertainment					
Dues and subscriptions					
Donations					
Insurance					
Collection expense					
Other operating expenses					
Total operating expenses					
OPERATING PROFIT					
Other income					
Other expense					
INCOME BEFORE TAXES	$	%	%	%	$

WORKSHEET

BALANCE SHEET

	(1) Your 1979 dollar results	(2) Your 1978 ratios	(3) Group ratios	(4) Ratio variances (+ or -)	(5) Dollar variances (+ or -)
CURRENT ASSETS					
Cash	$	%	%	%	$
Accounts receivable					
Inventory					
Prepaid expenses					
Other current assets					
Total current assets					
FIXED ASSETS					
Fixtures and equipment					
Autos and truck					
Leasehold improvements					
Buildings					
Land					
Less acc. depreciation					
Net fixed assets					
Other assets					
TOTAL ASSETS	$	100.0%	100.0%	%	$
CURRENT LIABILITIES					
Accounts payable	$	%	%	%	$
Sales tax payable					
Notes payable including current portion of long-term loans					
Accrued expenses/wages					
Taxes					
Other liabilities					
Total Current Liabilities					
LONG-TERM DEBT					
Mortgages					
Long-term loans					
Less current portion of long-term loans					
Total liabilities					
EQUITY					
Capital stock or owners' equity					
Paid-in capital					
Retained earnings					
Total equity					
TOTAL LIABILITIES AND EQUITY	$	100.0%	100.0%	%	$

HIGHLIGHTS FOR 1979

Participants — Repondents this year were from 43 states and 1 Canadian province. Response was slightly higher than last year, but represented a 7% decrease in sales volume.

Sales — Average sales for 1979 were $853,869, a decrease the second year in a row. Sales volume, however, increased over prior years, and sales per square foot are the highest in the past six years. Efficiency of sales personnel has, in general, declined from the previous year.

Inventories — Inventory levels increased more slowly than in prior years, and inventory turnover decreased slightly.

Markup — Composite markup for all retailers was 33.0% on sales and 49.2% on cost of goods sold, consistent with past years.

Income Before Taxes — Income before taxes was 3.5% of net sales, the lowest income figure in six years, primarily due to higher operating expenses.

Profitability — Profitability in general is down this year for all retailers. Also, respondents are not using equity to generate sales as effectively as they have in the past. Liquidity has been dropping, with a considerable amount of working capital tied up in inventory. Debt levels are at their highest point of the past seven years, but still within the acceptable range.

CHARACTERISTICS OF PARTICIPANTS

Definition

Participants in this survey were exclusively sporting goods retailers who are members of the National Sporting Goods Association. Respondents were located in 43 states and 1 Canadian province.

Overview

Response to this year's survey was slightly greater in number to last year but represented a 7% decrease in sales volume.

Respondents indicated a very similar distribution into specialties as that found last year. Team distributors represented 21% of the total number of respondents, trophy shops were 4%, ski retailers were 14%, firearms retailers were 8%, and camping equipment retailers were 8%.

The breakdown of sales volume by specialties showed a somewhat greater change. Team distributors accounted for 22% of all sales (up from 18% in 1978), trophy shops for 4%, ski for 20% (up from 14% in 1978), firearms for 8% (half of the 16% reported in 1978), and camping for 3%. All other respondents indicated no specialty.

The average sales per store, when compared across specialties, changed considerably. In particular, firearms sales decreased 42%, and trophy sales decreased 46%. Only one specialty, ski retailers, showed an increase in average sales, of 40%.

The average retailer in 1979 employed 6 salespeople, had 5,560 square feet of selling space and reported sales of $853,869, which is a decrease the second year in a row.

Specific Results

The under $150,000 group accounted for 2% of all sales with a steady increase up to 70% for the over $1,000,000 group.

A similar proportion of retailers, (24%) to last year (25%) have a broadened product line and sell non-sporting goods in addition to sporting goods.

Single-store outlets account for 57% of all sales. In contrast, in 1978 70% of the respondents operated one store only but accounted for only 33% of total sales.

CHARACTERISTICS OF PARTICIPANTS

		Percent of total Responses	Sales
Sales Volume Groups	Less than $150,000	23	2
	$150,000 to $250,000	14	3
	$250,000 to $500,000	19	8
	$500,000 to $1,000,000	20	17
	Over $1,000,000	24	70
Customer Type Groups	Primarily Individuals	79	78
	Primarily Teams	21	22
Geographic Location Groups	Eastern	23	20
	South Central	18	16
	North Central	35	35
	Western	23	28
	Not specified	1	1
Product Line Groups	All Sporting Goods	76	74
	Some Nonsporting Goods	24	26
Legal Form Of Organization	Corporation	74	93
	Partnership	8	3
	Proprietorship	18	4
Number of Stores	1	79	57
	2	11	13
	3	6	15
	4	3	8
	5 or more	1	7
Square Feet of Selling Space	Less than 1,000	10	2
	1,000 to 2,000	19	7
	2,000 to 3,000	12	7
	3,000 to 4,000	9	7
	4,000 to 5,000	6	5
	5,000 to 6,000	5	5
	Over 6,000	15	40
	Not specified	24	27
Number of Sales People	1-5	67	30
	6-10	19	28
	11-15	6	13
	16-20	5	14
	21-30	1	4
	31 or more	2	11
	TOTAL	100%	100%

Composite	Sporting goods sales in general demonstrated a substantial increase over past years. Sales volume demonstrated the highest increase since 1974. Inventory levels did not increase quite as rapidly, perhaps as evidence of caution in the current unstable economic climate. Markup percentages are consistent with past years, although inventory turnover is decreased slightly. Sales per square foot, however, are the highest in the past six years.
Product Line Groups	Both "pure" sporting goods retailers and "mixed" retailers (those selling other lines) had increased sales volume with corresponding inventory level increases to support this growth. Pure retailers had a substantially higher sales volume growth and reported above average sales per square feet. This is consistent with prior years, indicating that sporting goods lines continue to grow faster than other product lines.
Customer Type Groups	Those retailers selling primarily to individuals exhibited stronger growth than those selling primarily to teams. Also, the team group slowed down its substantial inventory increase of last year to keep pace with the slower sales growth.
Sales Volume Groups	From the chart on page 12, we see that sales per square foot showed a fairly consistent increase as sales volume increases. The largest retailers had the largest markups and the highest turnovers, contributing to the highest sales per square foot. The smallest retailers had the lowest sales per square foot; however, the 1979 results were a substantial improvement over 1978 results.
Geographic Location Groups	The Western group had a high increase in sales volume and this, coupled with an average markup and a very high turnover ratio, produced a high sales per square foot. Other results were mixed.

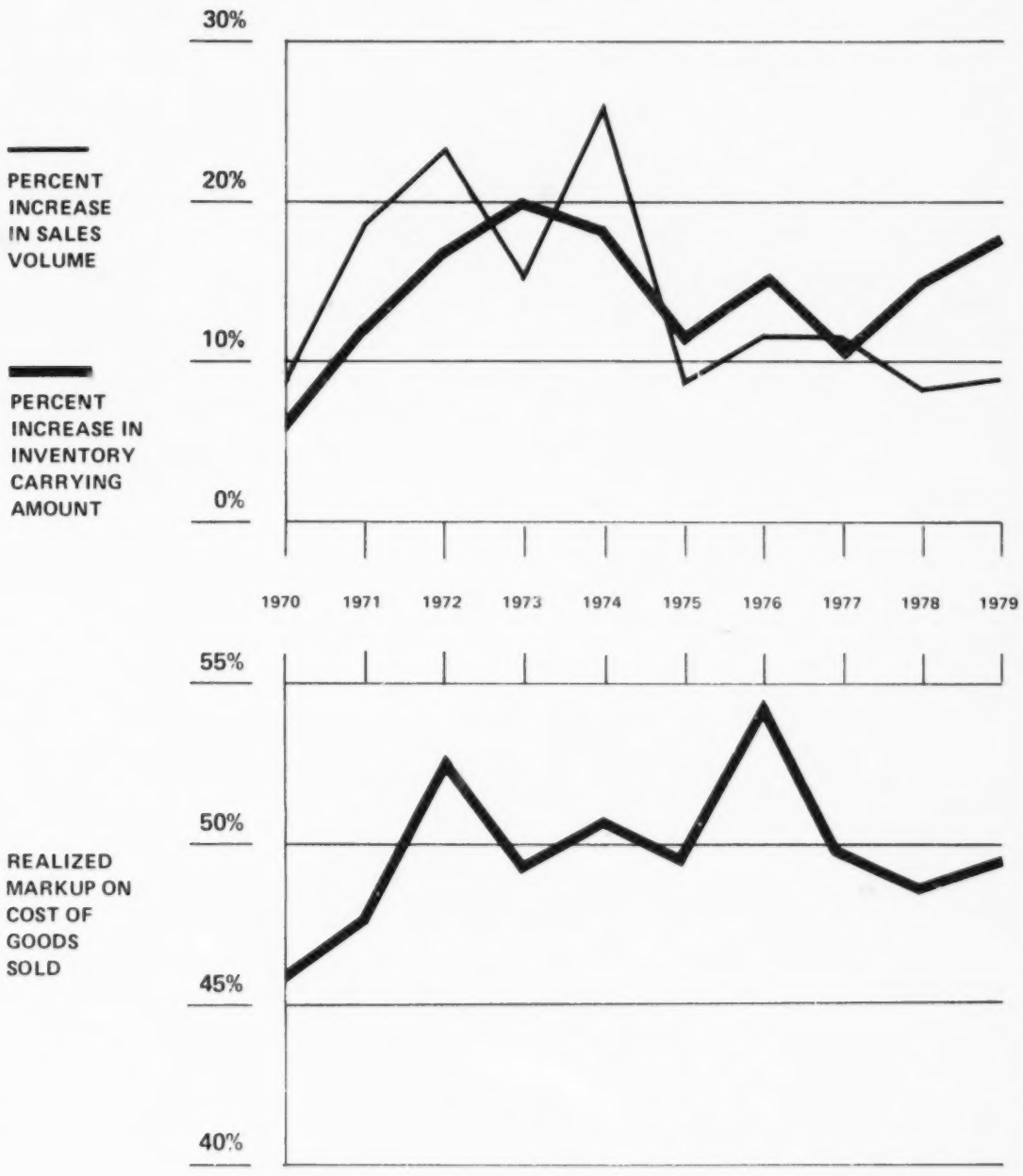
COMPOSITE	1979	1978	1977	1976	1975	1974
Percent increase (decrease) in sales volume over previous year	17.5	15.2	10.8	13.8	11.9	19.4
Percent increase (decrease) in inventory at year-end	9.5	8.3	11.7	12.4	7.0	25.3
Realized markup percent on cost of goods sold	49.2	48.7	49.7	52.8	49.2	50.0
Realized markup percent on sales	33.0	32.8	33.2	34.5	33.0	33.3
Inventory turnover ratio	2.3	2.5	2.4	2.6	2.6	2.4
Sales per square foot of selling space	$157	$133	$121	$122	$120	$126

PRODUCT LINE AND CUSTOMER TYPE GROUPS - 1979	Composite	Product Line*		Customer Type*	
		Pure	Mixed	Indvd.	Team
Percent increase (decrease) in sales volume over previous year	17.5	19.1	13.5	19.2	12.1
Percent increase (decrease) in inventory at year-end	9.5	10.0	7.9	10.3	6.0
Realized markup percent on cost of goods sold	49.2	47.5	54.4	50.6	43.9
Realized markup percent on sales	33.0	32.2	35.2	33.6	24.0
Inventory turnover ratio	2.3	2.3	2.4	2.3	2.7
Sales per square foot of selling space	$157	$174	$128	$161	$145

* See Glossary

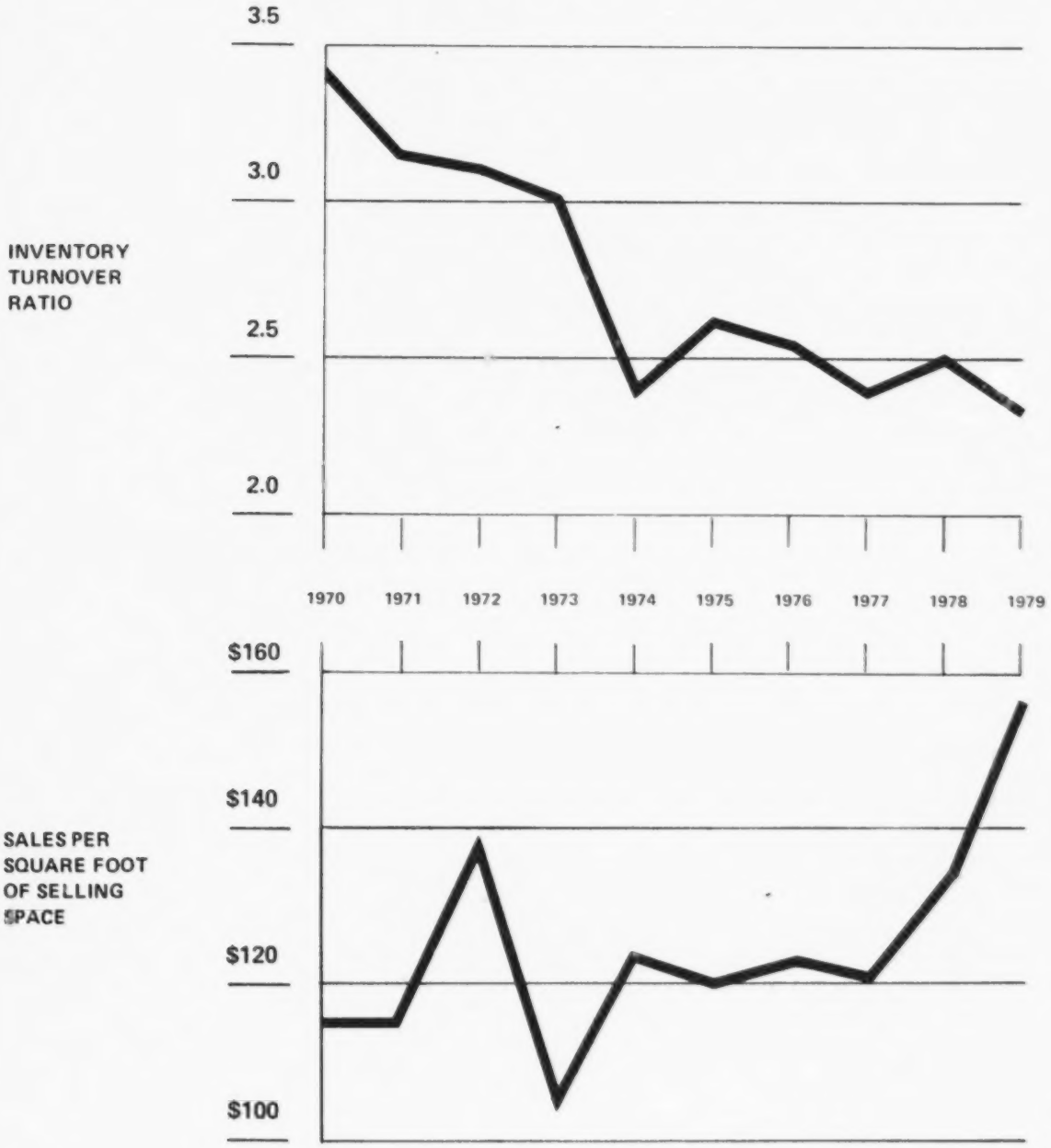
SALES AND INVENTORY ANALYSIS

1970-1979



SALES AND INVENTORY ANALYSIS

1970-1979



SALES AND INVENTORY ANALYSIS

FOR 1979

GEOGRAPHIC LOCATION GROUPS	Composite	Eastern	South Central	North Central	Western
Percent increase (decrease) in sales volume over previous year	17.5	8.1	15.6	18.5	25.0
Percent increase (decrease) in inventory at year-end	9.5	7.4	(1.1)	12.3	14.3
Realized mark-up percent on cost of goods sold	49.2	51.8	54.1	50.8	43.1
Realized mark-up percent on sales	33.0	34.1	35.1	33.7	30.1
Inventory turnover ratio	2.3	2.5	2.5	1.9	3.0
Sales per square foot of selling space	$157	$137	$105	$186	$178

SALES VOLUME GROUPS	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Percent increase (decrease) in sales volume over previous year	17.7	21.9	19.6	13.9	18.1
Percent increase (decrease) in inventory at year-end	17.1	12.8	6.8	8.3	9.6
Realized mark-up percent on cost of goods sold	56.6	59.1	55.9	50.8	47.4
Realized mark-up percent on sales	36.1	37.1	35.9	33.7	6.7
Inventory turnover ratio	1.4	2.1	1.9	2.3	2.5
Sales per square foot of selling space	$ 61	$ 93	$ 83	$171	$194

The sales and inventory analysis presented above is discussed on page 8.

Sales by Month

These figures are from an independent study of the Sales Survey Panel of the N.S.G.A., and represent percent of yearly sales achieved each month. Note the typical sales peaks in August and December.

January - 6.9%	July - 7.8
February - 6.7	August - 10.2
March - 7.7	September - 8.7
April - 7.4	October - 7.8
May - 7.7	November - 8.2
June - 8.0	December - 12.9

SALESPERSON PAY VERSUS SALES BY SALES VOLUME GROUPS — 1974-1979

AVERAGE ANNUAL DOLLAR PAY PER SALESPERSON	1979	1978	1977	1976	1975	1974
Less than $150,000	$4,726	$2,471	$3,080	$3,292	$3,099	I
$150,000 to $250,000	6,901	5,246	5,188	4,370	4,257	$6,994
$250,000 to $500,000	8,258	7,190	6,221	6,442	6,524	7,541
$500,000 to $1,000,000	12,575	7,785	7,103	6,474	7,208	9,193
Over $1,000,000	12,173	9,653	8,407	8,850	9,414	8,432

AVERAGE DOLLAR SALES PER SALESPERSON	1979	1978	1977	1976	1975	1974
Less than $150,000	$48,526	$27,926	$28,724	$39,564	$40,631	$50,978
$150,000 to $250,000	75,288	60,039	64,012	59,173	60,323	73,210
$250,000 to $500,000	88,116	81,215	82,847	81,799	86,241	79,593
$500,000 to $1,000,000	127,219	91,547	90,945	106,913	87,668	91,354
Over $1,000,000	173,793	114,371	103,577	102,420	107,102	102,803

AVERAGE RATIO OF DOLLAR SALES PER SALESPERSON TO ANNUAL DOLLAR PAY PER SALESPERSON	1979	1978	1977	1976	1975	1974
Less than $150,000	10.3	11.3	9.3	12.0	13.1	I
$150,000 to $250,000	10.9	11.4	12.3	13.5	14.2	10.5
$250,000 to $500,000	10.7	11.3	13.3	12.7	13.2	9.7
$500,000 to $1,000,000	10.1	11.8	12.8	16.5	12.2	9.9
Over $1,000,000	14.3	11.8	12.3	11.6	11.4	12.2

The objective of the above analysis is to determine the effectiveness of salary dollars in generating sales volume. The average ratio of dollar sales per salesperson indicates that only the largest retailers were able to improve the efficiency of their salespeople. In 1979, the salary levels in general have increased the most in the last five years. Sales per salesperson has also risen, but as can be seen from the ratio of dollar sales to dollar pay, salary dollars have risen faster than sales in almost every case, continuing a three year trend.

Composite

The largest expenses for sporting goods retailers are traditionally salaries and wages, advertising, rent and insurance. In the inflationary year just past, most retailers were successful in controlling salaries, wages and advertising, while rent and insurance, considered fixed costs, increased as a proportion of all expenses.

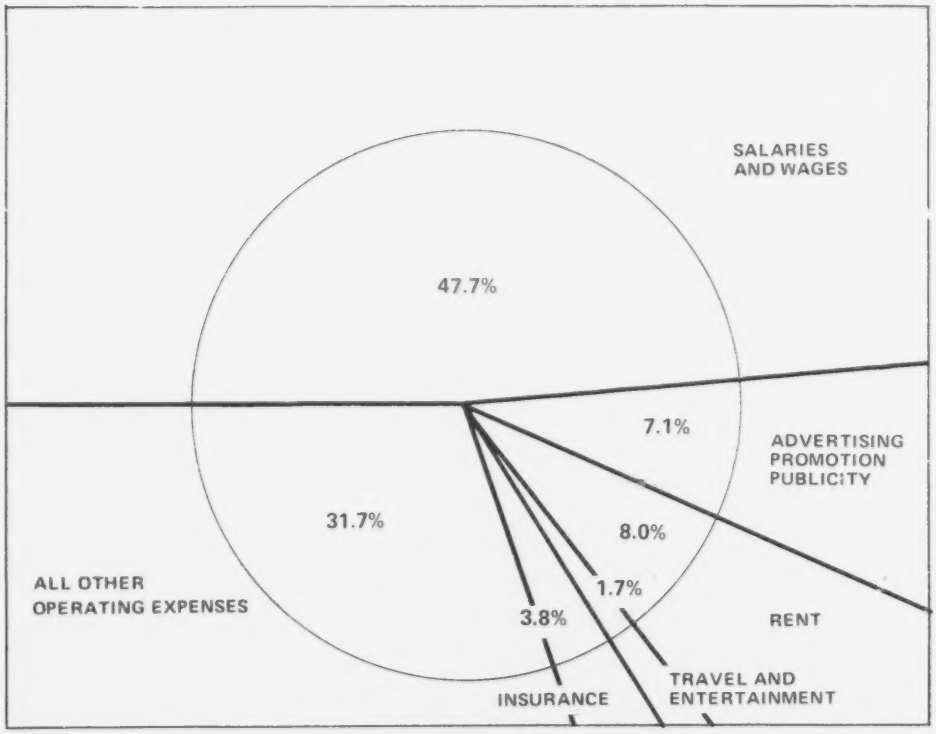
Geographic Location Groups

In general, salaries and wages appear to be somewhat higher in the South Central area and somewhat lower in the North Central area. Other results were mixed.

Sales Volume Groups

The smaller retailers pay a greater proportion of their expenses for rent, insurance and advertising, and less for salaries than do the larger retailers.

RELATIONSHIP OF SELECTED EXPENSES TO TOTAL EXPENSES



COMPOSITE – 1979

RELATIONSHIP OF INDIVIDUAL EXPENSES TO TOTAL EXPENSES — 1979

GEOGRAPHIC LOCATION GROUPS	Composite	Eastern	South Central	North Central	Western
Salaries and wages	47.7%	47.5%	51.6%	43.7%	49.3%
Payroll taxes	3.4	3.5	3.3	3.1	3.7
Licenses and other taxes, except income taxes	1.7	1.7	1.9	1.4	1.9
Advertising, promotion and publicity	7.1	4.7	6.4	8.4	7.5
Professional services	1.3	1.6	1.3	.8	1.7
Rent	8.0	10.2	10.4	6.1	7.0
Repairs and maintenance	1.1	.8	1.0	1.2	1.4
Light, heat and water	3.8	5.0	2.7	3.3	4.2
Auto and delivery expense	1.5	1.9	1.4	1.1	1.7
Depreciation	2.9	2.5	4.0	2.7	2.8
Store and office supplies	2.3	1.8	2.7	2.1	2.6
General postage	2.9	.4	.4	7.5	.6
Telephone and telegraph	1.5	1.5	1.9	1.3	1.5
Travel and entertainment	1.7	1.1	2.0	1.3	2.6
Dues and subscriptions	.4	.5	.6	.3	.5
Donations	.3	.5	.2	.2	.4
Insurance	3.8	4.4	3.5	3.4	4.0
Collection expense	.2	.3	.4	.2	.1
Other operating expenses	8.4	10.1	4.3	11.9	6.5

SALES VOLUME GROUPS	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Salaries and wages	37.1%	45.6%	48.6%	54.5%	45.9%
Payroll taxes	2.4	3.4	3.1	3.5	3.4
Licenses and other taxes, except income taxes	3.6	2.8	2.5	2.0	1.4
Advertising, promotion and publicity	9.2	7.0	7.9	7.3	6.9
Professional services	1.5	1.3	1.0	1.2	1.3
Rent	13.1	13.4	10.1	7.6	7.3
Repairs and maintenance	1.7	1.1	1.1	1.2	1.1
Light, heat and water	4.7	3.4	3.0	2.4	4.2
Auto and delivery expense	3.6	2.1	1.7	1.7	1.3
Depreciation	4.2	3.7	3.8	2.8	2.7
Store and office supplies	3.1	2.9	2.6	2.3	2.2
General postage	1.6	.8	.5	.4	4.0
Telephone and telegraph	2.5	2.0	1.8	1.5	1.4
Travel and entertainment	1.6	1.8	1.4	2.2	1.6
Dues and subscriptions	.8	.5	.5	.4	.4
Donations	.4	.3	.1	.2	.4
Insurance	4.9	3.8	4.4	3.9	3.6
Collection expense	.4	.1	.3	.3	.2
Other operating expenses	3.6	4.0	5.6	4.6	10.7
Total Operating Expenses	100.0%	100.0%	100.0%	100.0%	100.0%

Composite

In general, sporting goods retailers have kept cost of goods sold and operating expenses fairly steady over the past six years. However, this year's expenses were a bit higher than usual, enough to produce the lowest net income in the past six years.

Salaries display a steady trend downward as a proportion of sales, while utilities and insurance climb steadily upward. Postage also was very high this year.

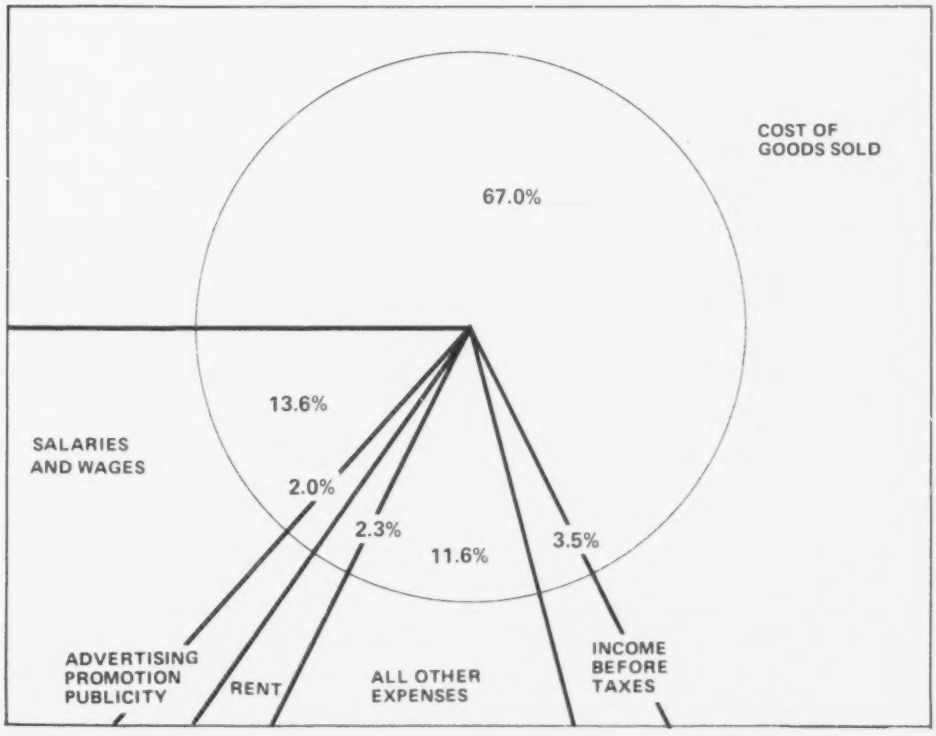
Sales Volume Groups

The $150,000 to $250,000 group had a high net income this year because of lowest cost of goods sold and lowest operating expenses.

Geographic Location Groups

In general, results for geographical groups were mixed and consistent with prior years.

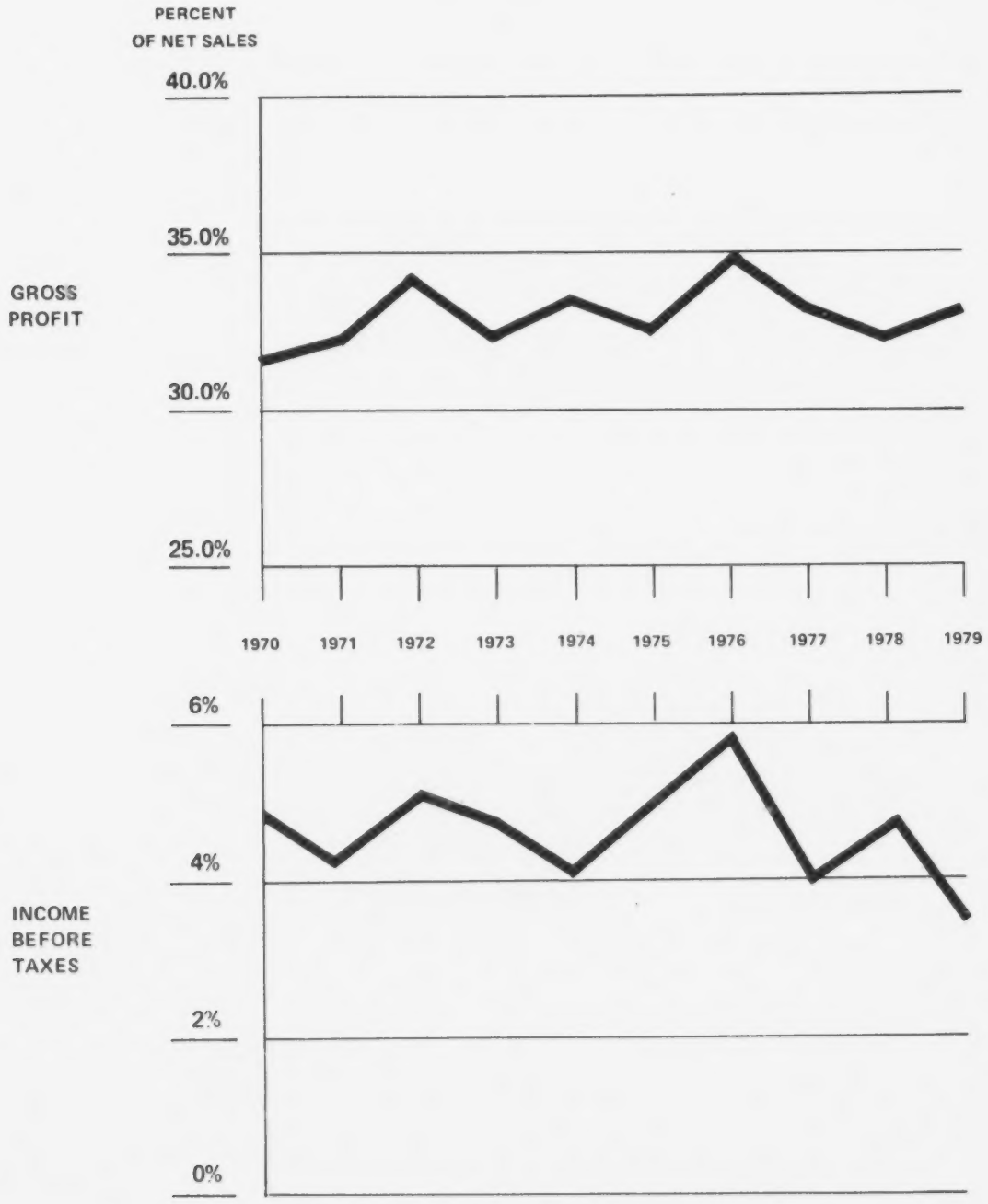
RELATIONSHIP OF SELECTED EXPENSES TO SALES



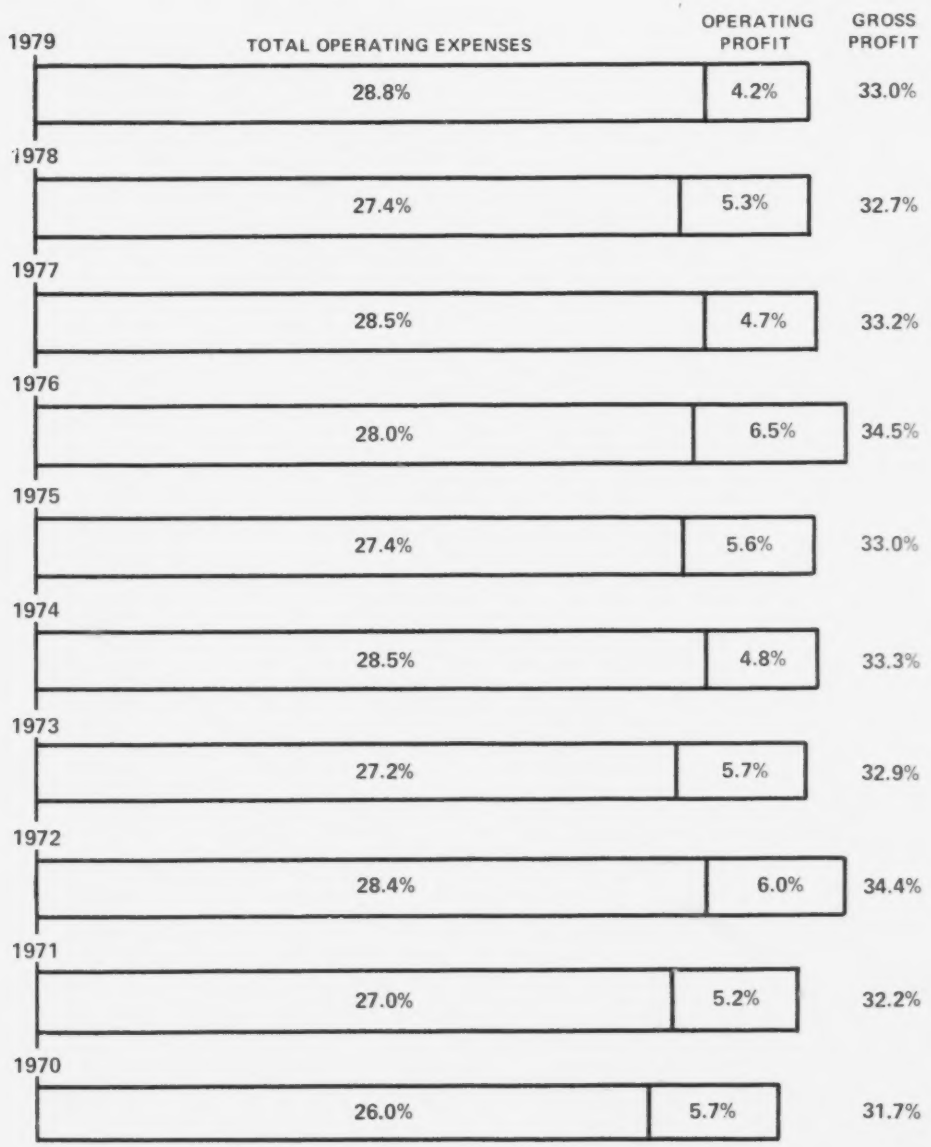
COMPOSITE – 1979

OPERATING RATIO ANALYSIS

GRAPHIC REVIEW — 1970-1979



OPERATING EXPENSE ● OPERATING PROFIT ● GROSS PROFIT
AS PERCENT OF NET SALES – 1970 - 1979



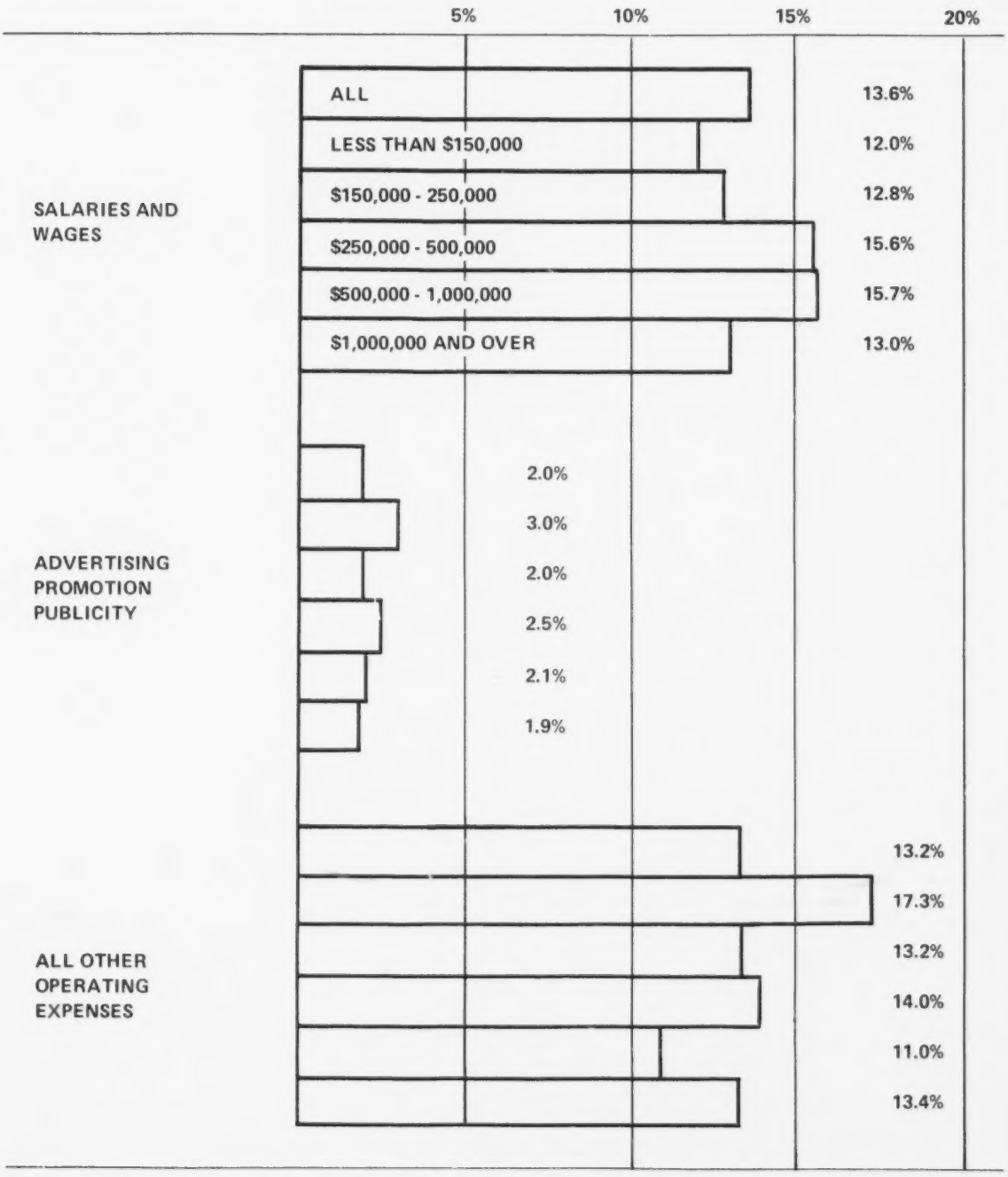
OPERATING RATIO ANALYSIS

AVERAGE — 1974-1979

	1979	1978	1977	1976	1975	1974
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	67.0	67.3	66.8	65.5	67.0	66.7
Gross profit	33.0	32.7	33.2	34.5	33.0	33.3
Operating expenses						
Salaries and wages	13.6	13.6	14.9	15.0	15.3	15.4
Payroll taxes	1.0	1.2	1.4	1.0	.9	1.0
Licenses and other taxes except income taxes	.5	.6	.6	.6	.6	.6
Advertising, promotion and publicity	2.0	2.3	2.2	2.2	1.8	2.2
Professional Services	.4	.3	.4	.3	.4	.3
Rent	2.3	2.1	2.3	2.4	2.1	2.4
Repairs and Maintenance	.3	.3	.4	.4	.3	.4
Light, heat and water	1.1	.7	.7	.6	.6	.6
Auto and delivery expense	.4	.4	.4	.4	.4	.5
Depreciation	.8	.9	.9	.7	.8	.8
Store and office supplies	.7	.7	.8	.6	.7	.8
General postage	.8	.1	.1	.2	.2	.1
Telephone and telegraph	.4	.6	.4	.5	.5	.5
Travel and entertainment	.5	.4	.5	.6	.5	.6
Dues and subscriptions	.1	.1	.1	.1	.1	.1
Donations	.1	-	.1	.1	.1	.1
Insurance	1.1	1.0	1.0	1.0	.8	.8
Collection expense	.1	.1	.1	.1	.1	.1
Other operating expenses	2.6	2.0	1.2	1.2	1.2	1.2
Total operating expenses	28.8	27.4	28.5	28.0	27.4	28.5
Operating profit	4.2	5.3	4.7	6.5	5.6	4.8
Other income	.8	.7	.7	.7	1.2	1.0
	5.0	6.0	5.4	7.2	6.8	5.8
Other expense	1.5	1.4	1.4	1.4	1.9	1.6
INCOME BEFORE TAXES	3.5%	4.6%	4.0%	5.8%	4.9%	4.2%

BY SALES VOLUME GROUPS

SELECTED EXPENSES FOR 1979



OPERATING RATIO ANALYSIS

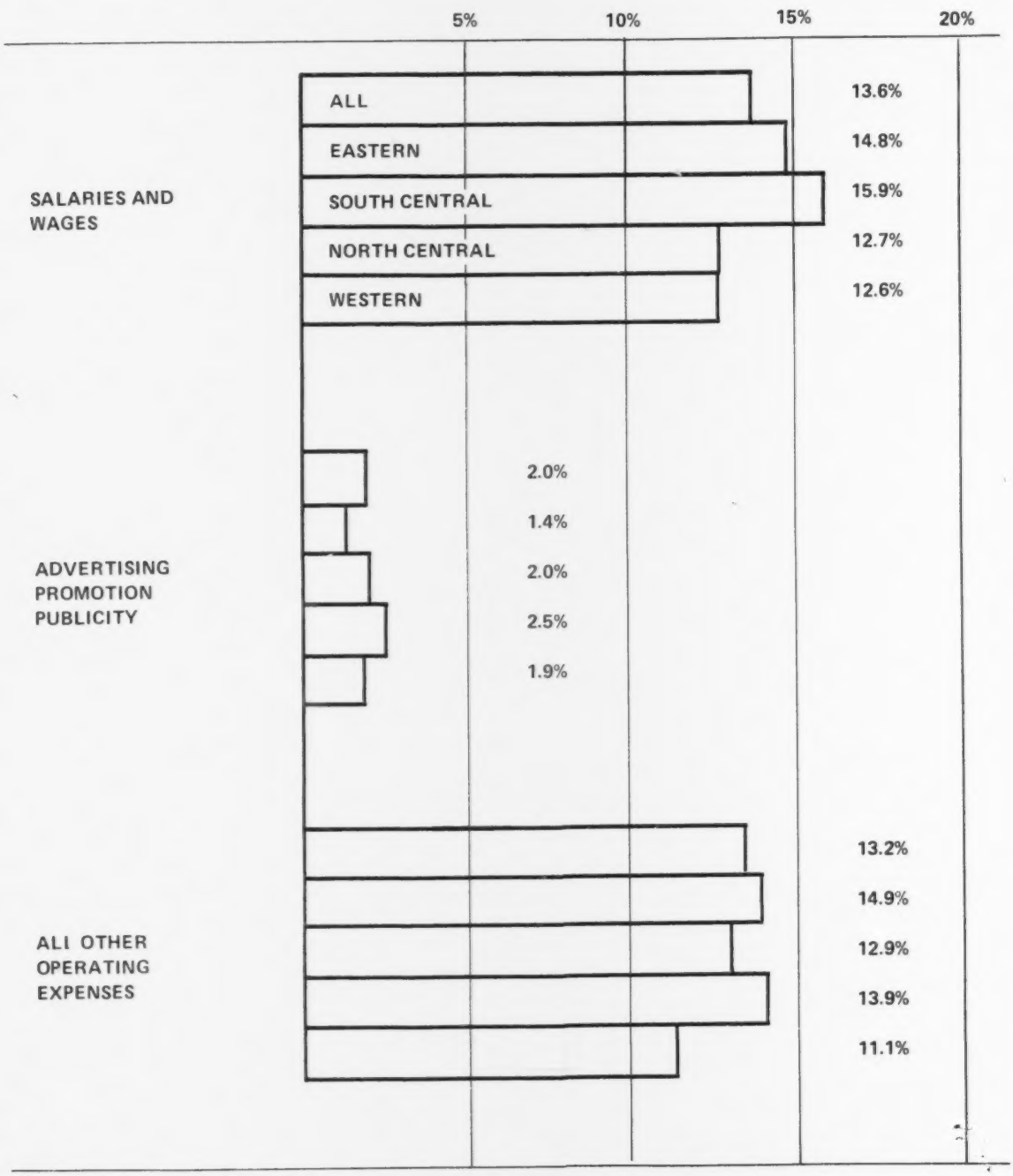
BY SALES VOLUME GROUPS — 1979

OVERVIEW	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Net Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	67.0	63.9	62.8	64.1	66.3	67.8
Gross Profit	33.0	36.1	37.2	35.9	33.7	32.2
Total Operating Expenses	28.8	32.3	28.0	32.1	28.8	28.3
Operating Profit	4.2	3.8	9.2	3.8	4.9	3.9
Other income	.8	1.0	1.0	.9	.8	.8
	5.0	4.8	10.2	4.7	5.7	4.7
Other expense	1.5	.9	1.2	1.4	1.7	1.6
INCOME BEFORE TAXES	3.5%	3.9%	9.0%	3.3%	4.0%	3.1%

DETAIL	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Salaries and wages	13.6%	12.0%	12.8%	15.6%	15.7%	13.0%
Payroll taxes	1.0	.8	1.0	1.0	1.0	1.0
Licenses and other taxes, except income taxes	.5	1.1	.8	.8	.6	.4
Advertising, promotion and publicity	2.0	3.0	2.0	2.5	2.1	1.9
Professional services	.4	.5	.4	.3	.3	.4
Rent	2.3	4.2	3.7	3.3	2.2	2.1
Repairs and maintenance	.3	.5	.3	.4	.3	.3
Light, heat and water	1.1	1.5	1.0	1.0	.7	1.2
Auto and delivery expense	.4	1.2	.6	.6	.5	.4
Depreciation	.8	1.3	1.0	1.2	.8	.8
Store and office supplies	.7	1.0	.8	.8	.7	.6
General postage	.8	.5	.2	.2	.1	1.1
Telephone and telegraph	.4	.8	.6	.6	.4	.4
Travel and entertainment	.5	.5	.5	.4	.6	.5
Dues and subscriptions	.1	.3	.1	.1	.1	.1
Donations	.1	.1	.1	-	.1	.1
Insurance	1.1	1.6	1.1	1.4	1.1	1.0
Collection expense	.1	.1	-	.1	.1	.1
Other operating expenses	2.6	1.3	1.0	1.8	1.4	2.9
Total Operating Expenses	28.8%	32.3%	28.0%	32.1%	28.8%	28.3%

BY GEOGRAPHIC LOCATION GROUPS

SELECTED EXPENSES FOR 1979



OPERATING RATIO ANALYSIS

BY GEOGRAPHIC LOCATION GROUPS — 1979

OVERVIEW	Composite	Eastern	South Central	North Central	Western
Net Sales	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	67.0	65.9	64.9	66.3	69.9
Gross Profit	33.0	34.1	35.1	33.7	30.1
Total Operating Expenses	28.8	31.1	30.8	29.1	25.6
Operating Profit	4.2	3.0	4.3	4.6	4.5
Other income	.8	.7	.9	.6	1.2
	5.0	3.7	5.2	5.2	5.7
Other expense	1.5	1.4	1.7	1.7	1.5
INCOME BEFORE TAXES	3.5%	2.3%	3.5%	3.5%	4.2%

DETAIL	Composite	Eastern	South Central	North Central	Western
Operating expenses					
Salaries and wages	13.6%	14.8%	15.9%	12.7%	12.6%
Payroll taxes	1.0	1.1	1.0	.9	.9
Licenses and other taxes, except income taxes	.5	.5	.6	.4	.5
Advertising, promotion and publicity	2.0	1.4	2.0	2.5	1.9
Professional services	.4	.5	.4	.2	.4
Rent	2.3	3.2	3.2	1.8	1.8
Repairs and maintenance	.3	.2	.3	.3	.4
Light, heat and water	1.1	1.6	.8	1.0	1.1
Auto and delivery expense	.4	.6	.4	.3	.4
Depreciation	.8	.8	1.2	.8	.7
Store and office supplies	.7	.6	.8	.6	.7
General postage	.8	.1	.1	2.2	.1
Telephone and telegraph	.4	.5	.6	.4	.4
Travel and entertainment	.5	.4	.6	.4	.7
Dues and subscriptions	.1	.1	.2	.1	.1
Donations	.1	.2	.1	.1	.1
Insurance	1.1	1.4	1.1	1.0	1.0
Collection expense	.1	.1	.1	.1	-
Other operating expenses	2.6	3.0	1.4	3.3	1.8
Total Operating Expenses	28.8%	31.1%	30.8%	29.1%	25.6%

OPERATING RATIO ANALYSIS

BY PRODUCT LINE AND CUSTOMER GROUPS — 1979

OVERVIEW	Composite	Product Line*		Customer Type*	
		Pure	Mixed	Indvd.	Team
Net Sales	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	67.0	67.8	64.8	66.4	69.3
Gross Profit	33.0	32.2	35.2	33.6	30.7
Total Operating Expenses	28.8	28.0	30.8	29.3	26.8
Operating Profit	4.2	4.2	4.4	4.3	3.9
Other income	.8	.8	.8	.9	.7
	5.0	5.0	5.2	5.2	4.6
Other expense	1.5	1.6	1.4	1.6	1.4
INCOME BEFORE TAXES	3.5%	3.4%	3.8%	3.6%	3.2%

DETAIL	Composite	Product Line*		Customer Type*	
		Pure	Mixed	Indvd.	Team
Operating expenses					
Salaries and wages	13.6%	13.0%	15.4%	13.5%	14.1%
Payroll taxes	1.0	.9	1.3	1.0	1.0
Licenses and other taxes, except income taxes	.5	.5	.4	.5	.5
Advertising, promotion and publicity	2.0	1.8	2.7	2.3	1.2
Professional services	.4	.4	.3	.4	.3
Rent	2.3	2.4	2.1	2.5	1.7
Repairs and maintenance	.3	.3	.4	.3	.3
Light, heat and water	1.1	1.2	.7	1.2	.5
Auto and delivery expense	.4	.5	.4	.4	.4
Depreciation	.8	.9	.7	.9	.7
Store and office supplies	.7	.6	.8	.7	.5
General postage	.8	1.1	.1	1.0	.2
Telephone and telegraph	.4	.4	.5	.4	.6
Travel and entertainment	.5	.5	.5	.4	.7
Dues and subscriptions	.1	.1	.1	.1	.1
Donations	.1	.1	.1	.1	.1
Insurance	1.1	1.0	1.4	1.0	1.3
Collection expense	.1	.1	-	.1	.1
Other operating expenses	2.6	2.2	2.9	2.5	2.5
Total Operating Expenses	28.8%	28.0%	30.8%	29.3%	26.8%

* See Glossary

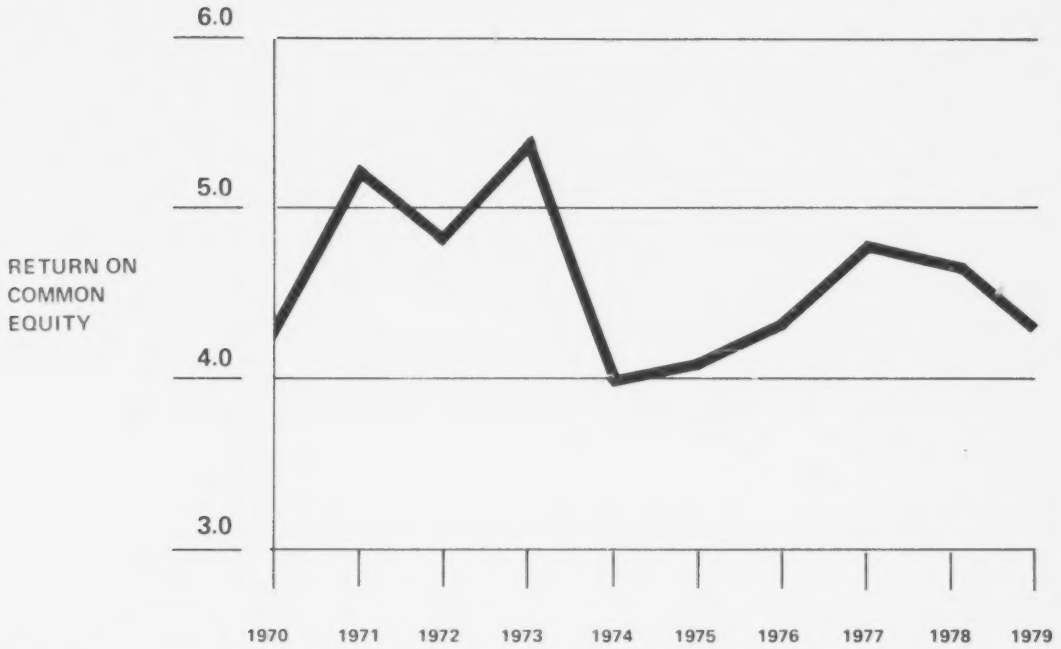
OPERATING RATIO ANALYSIS

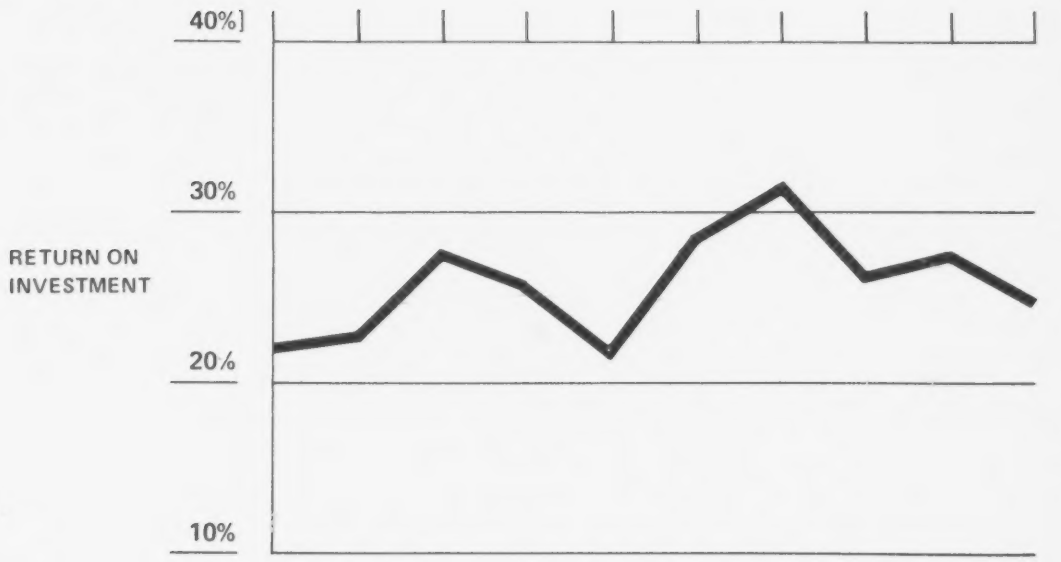
BY RETAIL LOCATION GROUPS — 1979

OVERVIEW	Composite	Mall	Downtown	Suburban	Mixed and other
Net Sales	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	67.0	64.0	68.0	66.2	67.7
Gross Profit	33.0	36.0	32.0	33.8	32.3
Total Operating Expenses	28.8	32.4	27.1	29.9	28.1
Operating Profit	4.2	3.6	4.9	3.9	4.2
Other income	.8	1.7	.9	.4	1.0
	5.0	5.3	5.8	4.3	5.2
Other expense	1.5	2.1	1.6	1.4	1.6
INCOME BEFORE TAXES	3.5%	3.2%	4.2%	2.9%	3.6%

OVERVIEW	Composite	Mall	Downtown	Suburban	Mixed and other
Operating expenses					
Salaries and wages	13.6%	13.2%	14.2%	13.0%	13.9%
Payroll taxes	1.0	.7	1.0	1.0	.9
Licenses and other taxes, except income taxes	.5	.7	.7	.4	.4
Advertising, promotion and publicity	2.0	1.4	1.8	2.3	2.1
Professional services	.4	.6	.4	.3	.4
Rent	2.3	2.6	2.2	2.0	2.5
Repairs and maintenance	.3	.3	.3	.3	.3
Light, heat and water	1.1	3.5	.6	.9	1.1
Auto and delivery expense	.4	.8	.5	.3	.5
Depreciation	.8	.8	.8	.9	.8
Store and office supplies	.7	.9	.6	.6	.7
General postage	.8	.3	.2	2.3	.1
Telephone and telegraph	.4	.6	.5	.4	.4
Travel and entertainment	.5	.7	.6	.4	.5
Dues and subscriptions	.1	.2	.1	.1	.1
Donations	.1	.4	.1	.1	.1
Insurance	1.1	1.3	1.2	.9	1.1
Collection expense	.1	-	.1	.1	-
Other operating expenses	2.6	3.4	1.2	3.6	2.2
Total Operating Expenses	28.8%	32.4%	27.1%	29.9%	28.1%

1970-1979


6.0
5.0
4.0
3.0
RETURN ON COMMON EQUITY
1970
1971
1972
1973
1974
1975
1976
1977
1978
1979


40%
30%
20%
10%
RETURN ON INVESTMENT

All the ratios have been calculated using pretax financial information. In the glossary on page 126 are given definitions of each ratio, the calculations used, and the standard ranges for each ratio of related retail industries from Troy Almanac of Business and Industrial Financial Ratios, 1979 edition.

Return on Common Equity

(Formerly called "Net Sales to Tangible Net Worth.") The historical average for sporting goods retailers for return on common equity is 4.2, which is what the average 1979 respondent reported. This ratio has decreased over the past three years, indicating that retailers are not using equity to generate sales as effectively as they have in the past.

1979	1978	1977	1976	1975	1974	1973
4.24	4.68	4.74	4.31	4.15	4.00	5.48

Return on Investment

(Formerly called "Net Profits to Tangible Net Worth.") The primary measure of profitability, the historical average for this ratio is 26.6%. 1979 respondents report an average of 24.9%, indicating a slightly lower profitability than in previous years.

1979	1978	1977	1976	1975	1974	1973
24.9%	27.1%	26.7%	30.3%	28.2%	21.7%	25.7%

Return on Working Capital

(Formerly called "Net Profits to Net Working Capital.") This ratio is the lowest this year of the past six years. The historical national average is 28.3%, and the survey respondents are slightly below this average, indicating less efficiency in using operating funds in generating sales.

1979	1978	1977	1976	1975	1974	1973
26.4%	31.6%	27.2%	31.3%	29.1%	23.2%	27.2%

Current Ratio

(Formerly called "Current Assets to Current Liabilities.") This ratio is the primary measure of liquidity. Survey respondents are significantly less liquid than the historical average of 2.4. As can be seen, liquidity has been dropping for the past six years.

1979	1978	1977	1976	1975	1974	1973
1.81	1.81	1.89	1.97	2.03	2.20	2.10

Ending Inventory to Working Capital

(Formerly called "Ending Inventory to Net Working Capital.") The average respondent had a considerable amount of working capital tied up in inventory, but not quite as much as the historical average, which reports a ratio of 132.3%. This ratio dropped significantly in recent years.

1979	1978	1977	1976	1975	1974	1973
131.2%	145.4%	140.2%	131.8%	123.4%	127.9%	124.9%

Working Capital Turnover

(Formerly called "Net Sales to Net Working Capital.") Another measure of liquidity, this ratio is also slightly below the national average range of 4.5 to 5.3. This ratio is up a little from last year, indicating that retailers are doing a better job of utilizing working capital to generate income.

1979	1978	1977	1976	1975	1974	1973
4.33	4.06	5.11	4.75	4.41	4.17	5.79

Current Debt to Equity

(Formerly called "Current Liabilities to Tangible Net Worth.") This ratio is the primary measure of solvency for sporting goods retailers. The ratio should be below 100 to indicate that owners' equity is sufficient to cover debt. Respondents have always been within the historical range of 80 to 100, but current debt is higher than in the last seven years.

1979	1978	1977	1976	1975	1974	1973
97.4%	90.1%	90.9%	86.7%	82.0%	69.9%	82.9%

TEAM DISTRIBUTORS SURVEY RESULTS

HIGHLIGHTS FOR 1979

Participants — Repondents reporting a team specialty this year represented 21% of the total, up from 18% of last year. This group generated 22% of total sales, up from 18% last year.

Sales — Average sales for 1979 were $896,535, the second highest average sales of all specialty groups. This figure, however, represented a decrease for team distributors. The sales per square foot were the lowest for the past six years.

Inventories — Inventory levels increased more slowly than in prior years, keeping pace with the slower sales growth. Also, inventory turnover is the highest of all retailers.

Markup — Composite markup was 30.7% on sales and 44.2% on cost of goods sold, the lowest markup percentages in the past five years.

Income Before Taxes — Income before taxes was 3.2% of net sales, the lowest income figure in five years, primarily due to higher cost of goods sold and higher operating expenses.

Profitability — Team distributors were less profitable this year, although they improved their use of capital to generate income. Results for liquidity and solvency were satisfactory.

Definition

Participants in this survey were exclusively sporting goods retailers who are members of the National Sporting Goods Association. Retailers included in the Team Distributors specialty group are those retailers reporting 50% or more of their 1979 sales to teams.

Overview

The response from team distributors increased over last year, with 21% of all retailers reporting a team sales specialty. This group was the largest of all those retailers reporting a specialty. They represented 22% of total sales, an increase over the 18% of last year.

The average team distributor in 1979 had sales of $896,535, which is the second highest average sales of all specialties. However, this average sales figure represents a decrease for team distributors the second year in a row.

The average team distributor employed 6 salespeople in 1979. This, also, is a decrease the second year in a row.

Most team distributors are incorporated and operate a single store.

Specific Results

The proportion of responses was spread out fairly evenly over all sales volume groups, but the largest stores accounted for 70% of the team sales. This result is the same as that which appeared last year.

A fairly large proportion of team distributors also sell non-sporting goods, a proportion that has increased over last year.

With team distributors, the single store accounted for almost half of all team sales. Last year, the single store accounted for over half of the team sales.

There appears to be some clustering around the smallest size stores and around the largest stores. Last year, the respondents represented a more even distribution in size.

		Percent of total Responses	Sales
Sales Volume Groups	Less than $150,000	20	2
	$150,000 to $250,000	15	4
	$250,000 to $500,000	10	4
	$500,000 to $1,000,000	23	20
	Over $1,000,000	32	70
Geographic Location Groups	Eastern	22	21
	South Central	22	19
	North Central	39	33
	Western	17	27
Product Line Groups	All Sporting Goods	78	75
	Some Nonsporting Goods	22	25
Legal Form Of Organization	Corporation	78	96
	Partnership	7	1
	Proprietorship	15	3
Number of Stores	1	73	49
	2	15	21
	3	8	17
	4	2	6
	5 or more	2	7
Square Feet of Selling Space	Less than 1,000	12	2
	1,000 to 2,000	22	10
	2,000 to 3,000	7	2
	3,000 to 4,000	8	11
	4,000 to 5,000	8	8
	5,000 to 6,000	5	7
	Over 6,000	17	32
	Not specified	21	28
Number of Sales People	1-5	68	39
	6-10	18	19
	11-15	5	9
	16-20	7	27
	21-30	0	0
	31 or more	2	6
	TOTAL	100%	100%

Composite

Team distributors reported the lowest sales per square foot of the past six years.

Sales volume increases were below the average for all retailers. Inventory increases were also below the average, keeping pace with the slower sales growth. Markups are slightly below average and are the lowest for the past five years. Inventory turnover is the highest of all retailers. The sales per square foot, however, are the lowest for the past six years, and are slightly below the average for all retailers.

Sales Volume Groups

The medium sized retailer, in the $250,000 to $500,000 group, had little increase in sales volume and consequently reduced inventory. This group produced the lowest sales per square foot.

The highest sales per square foot were produced by the largest retailers, probably demonstrating some economies of scale.

Geographic Location Groups

The South Central group demonstrated an above average sales volume increase but did not increase inventory levels to support this growth. This group demonstrated the lowest sales per square foot.

COMPOSITE	1979	1978	1977	1976	1975	1974
Percent increase (decrease) in sales volume over previous year	14.0	17.3	(.9)	8.7	11.3	20.2
Percent increase (decrease) in inventory at year-end	7.7	15.0	9.9	5.9	6.3	27.6
Realized markup percent on cost of goods sold	44.2	46.1	47.3	50.8	46.6	43.6
Realized markup percent on sales	30.7	31.5	32.1	33.7	31.8	30.4
Inventory turnover ratio	2.7	2.5	3.0	3.3	3.2	2.9
Sales per square foot of selling space	$152	$172	$168	$197	$189	$247

SALES AND INVENTORY ANALYSIS

FOR 1979

GEOGRAPHIC LOCATION GROUPS	Composite	Eastern	South Central	North Central	Western
Percent increase (decrease) in sales volume over previous year	14.0	9.2	15.5	17.7	12.2
Percent increase (decrease) in inventory at year-end	7.7	18.9	.2	4.8	10.6
Realized mark-up percent on cost of goods sold	44.2	44.6	42.5	44.3	44.9
Realized mark-up percent on sales	30.7	30.8	29.8	30.7	31.0
Inventory turnover ratio	2.7	2.8	2.7	2.3	3.1
Sales per square foot of selling space	$152	$117	$ 59	$186	$244

SALES VOLUME GROUPS	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Percent increase (decrease) in sales volume over previous year	12.3	17.9	.1	15.1	14.1
Percent increase (decrease) in inventory at year-end	6.7	(4.4)	(1.3)	3.9	10.3
Realized mark-up percent on cost of goods sold	60.4	45.3	48.8	44.2	43.6
Realized mark-up percent on sales	37.7	31.2	32.8	30.7	30.4
Inventory turnover ratio	1.6	2.5	1.8	2.8	2.8
Sales per square foot of selling space	$ 76	$ 97	$ 48	$178	$180

Composite

The largest expenses for team distributors were salaries and wages, advertising, rent and insurance. In general, results for team distributors followed the trends for other groups.

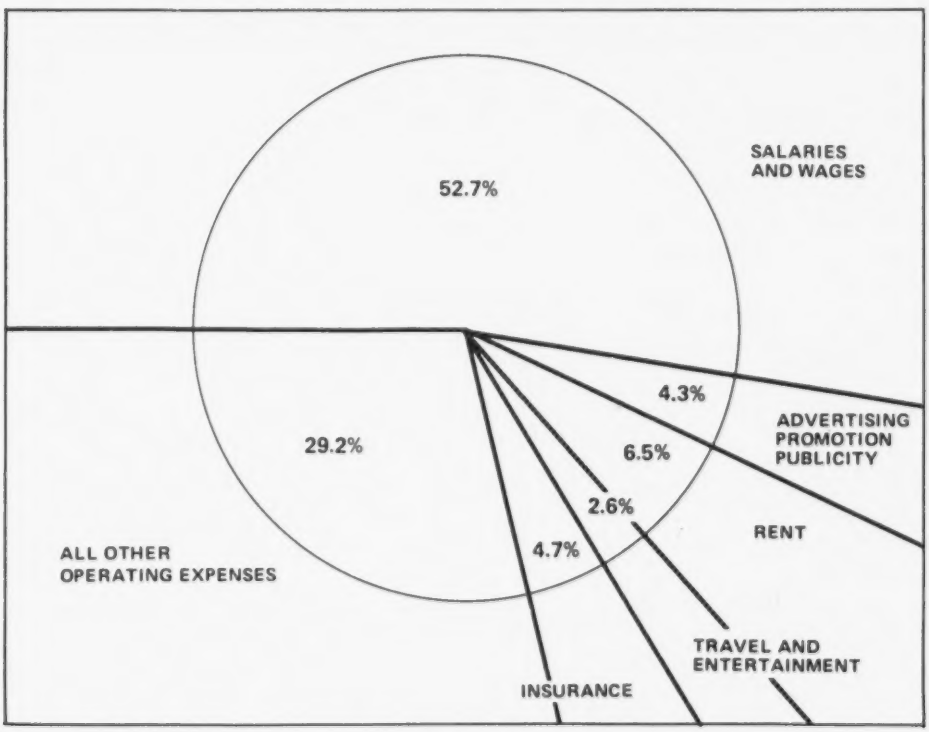
Geographic Location Groups

The South Central group had a greater proportion of their expenses in salaries and a lower proportion in advertising and insurance than did other groups. Other results were mixed.

Sales Volume Groups

The team distributors display the same characteristics as other specialty groups in that the smallest retailers have a greater proportion of their expenses in the less controllable costs such as rent and insurance, and less in more controllable costs such as salaries. As usual, they also have the highest advertising expenses.

RELATIONSHIP OF SELECTED EXPENSES TO TOTAL EXPENSES



COMPOSITE – 1979

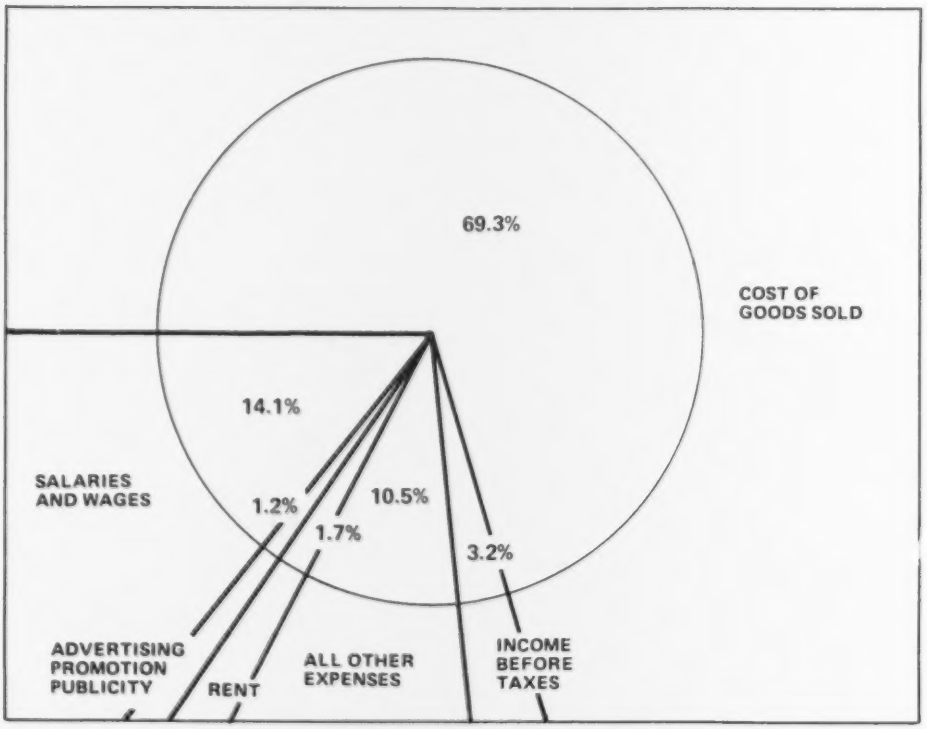
RELATIONSHIP OF INDIVIDUAL EXPENSES TO TOTAL EXPENSES — 1979

GEOGRAPHIC LOCATION GROUPS	Composite	Eastern	South Central	North Central	Western
Salaries and wages	52.7%	51.1%	55.8%	49.8%	55.4%
Payroll taxes	3.7	4.0	3.8	2.5	4.7
Licenses and other taxes, except income taxes	1.9	1.5	1.9	1.5	2.6
Advertising, promotion and publicity	4.3	3.7	3.2	4.6	5.3
Professional services	1.1	1.4	1.7	.7	1.0
Rent	6.5	11.3	6.1	6.1	3.3
Repairs and maintenance	1.0	.8	.9	1.1	1.2
Light, heat and water	2.0	1.8	2.8	2.0	1.6
Auto and delivery expense	1.6	1.5	1.5	1.7	1.6
Depreciation	2.7	2.8	4.1	2.1	2.5
Store and office supplies	1.9	1.2	2.7	2.2	1.8
General postage	.9	.8	.4	.5	1.8
Telephone and telegraph	2.2	2.0	2.3	1.9	2.5
Travel and entertainment	2.6	1.4	2.3	1.8	4.6
Dues and subscriptions	.4	.4	.3	.3	.4
Donations	.3	-	.4	.4	.1
Insurance	4.7	5.0	3.8	5.2	4.6
Collection expense	.3	.1	-	.7	.1
Other operating expenses	9.2	9.2	6.0	14.9	4.9

SALES VOLUME GROUPS	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Salaries and wages	35.0%	45.3%	50.8%	57.8%	52.3%
Payroll taxes	1.6	3.1	2.4	3.4	3.9
Licenses and other taxes, except income taxes	2.8	2.7	2.1	1.3	2.0
Advertising, promotion and publicity	9.9	8.7	4.9	5.2	3.7
Professional services	3.3	.8	1.3	1.2	1.1
Rent	10.9	10.5	9.9	5.9	6.1
Repairs and maintenance	1.9	.7	1.6	1.0	1.0
Light, heat and water	4.8	4.1	2.8	2.2	1.7
Auto and delivery expense	3.6	1.6	1.8	2.3	1.3
Depreciation	4.8	2.7	2.1	2.7	2.7
Store and office supplies	3.7	2.5	1.1	2.0	1.9
General postage	1.4	1.3	.3	.7	1.0
Telephone and telegraph	4.0	1.9	1.6	1.6	2.3
Travel and entertainment	2.1	.9	.8	2.8	2.8
Dues and subscriptions	.9	.2	.4	.6	.3
Donations	.5	-	.2	.3	.2
Insurance	6.7	3.8	4.9	3.7	5.0
Collection expense	.1	.3	-	.1	.3
Other operating expenses	2.0	8.9	11.0	5.2	10.4
Total Operating Expenses	100.0%	100.0%	100.0%	100.0%	100.0%

Composite	Team retailers experienced a higher cost of goods sold and higher operating expenses, resulting in the lowest operating profit in the past five years. This is reflected in a below average net income.
Sales Volume Groups	The small retailer reported the highest net income, substantially above the average for all retailers. This high income level is almost entirely due to a lower cost of goods sold. Net income decreases steadily from small retailers to large.
Geographic Location Groups	Cost of goods sold for all areas was fairly consistent, but operating expenses were higher for the Eastern and Western groups, resulting in lower net income.

RELATIONSHIP OF SELECTED EXPENSES TO SALES



COMPOSITE – 1979

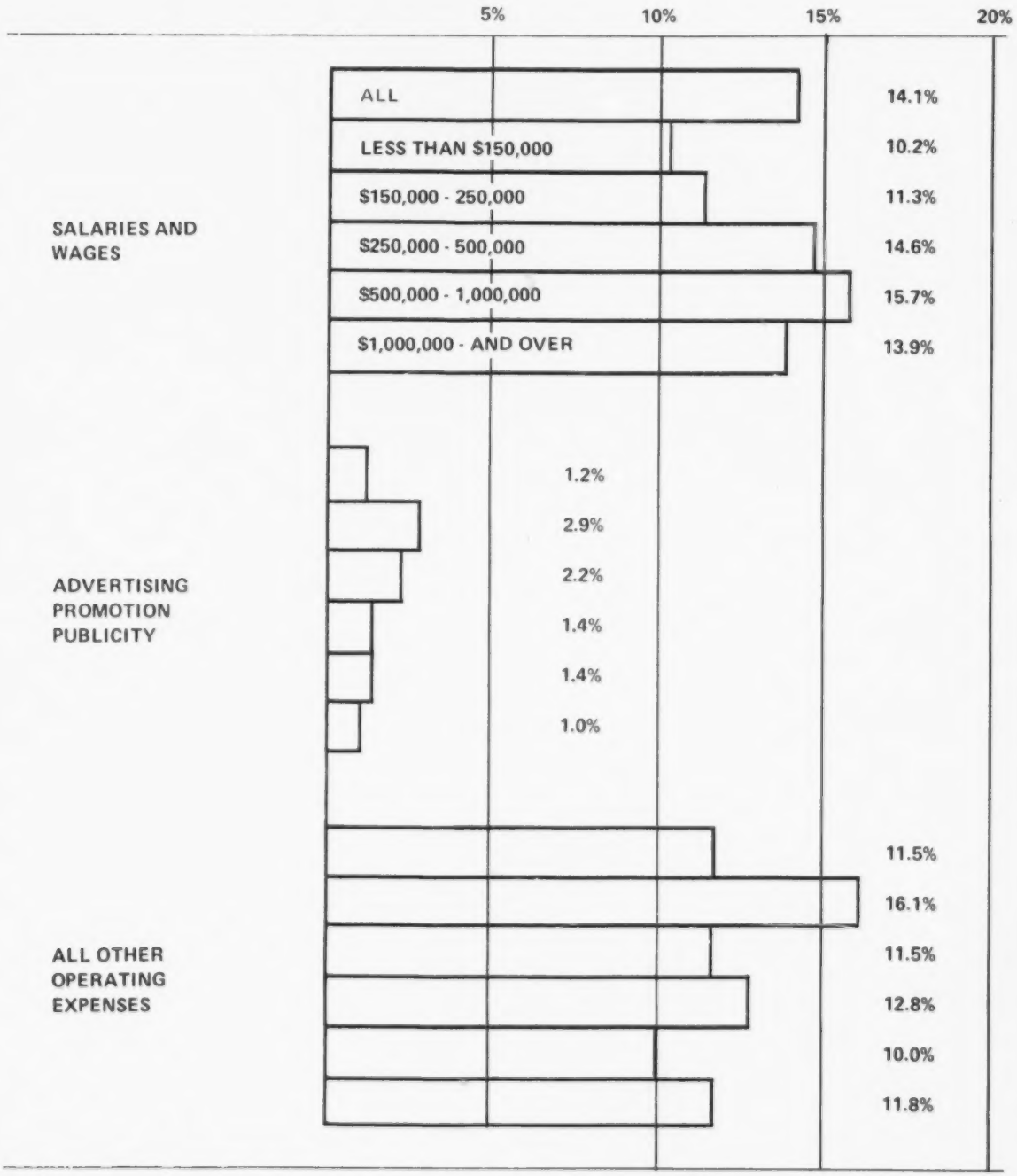
OPERATING RATIO ANALYSIS

AVERAGE — 1974 · 1979

	1979	1978	1977	1976	1975	1974
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	69.3	68.4	67.9	66.3	68.2	69.6
Gross profit	30.7	31.6	32.1	33.7	31.8	30.4
Operating expenses						
Salaries and wages	14.1	14.1	15.7	15.1	15.5	16.1
Payroll taxes	1.0	1.0	1.0	.9	.9	.8
Licenses and other taxes except income taxes	.5	.6	.4	.5	.7	.7
Advertising, promotion and publicity	1.2	1.2	1.1	1.0	1.0	1.0
Professional Services	.3	.4	.3	.2	.4	.4
Rent	1.7	1.5	1.8	1.6	1.6	1.4
Repairs and Maintenance	.3	.2	.2	.2	.2	.2
Light, heat and water	.5	.5	.5	.5	.5	.4
Auto and delivery expense	.4	.5	.5	.6	.5	.6
Depreciation	.7	.7	.6	.7	.6	.4
Store and office supplies	.5	.6	.6	.5	.5	.5
General postage	.2	.2	.1	.2	.2	.2
Telephone and telegraph	.6	.6	.5	.6	.5	.6
Travel and entertainment	.7	.7	.6	.7	.6	.7
Dues and subscriptions	.1	.1	.1	.1	.1	.1
Donations	.1	-	-	-	-	.1
Insurance	1.3	1.1	1.1	1.0	.9	1.0
Collection expense	.1	.1	-	.1	.1	-
Other operating expenses	2.5	1.4	1.6	1.8	.9	1.3
Total operating expenses	26.8	25.5	26.7	26.3	25.7	26.5
Operating profit	3.9	6.1	5.4	7.4	6.1	3.9
Other income	.7	.7	.7	.7	.7	.9
	4.6	6.8	6.1	8.1	6.8	4.8
Other expense	1.4	1.7	1.8	1.3	1.7	1.9
INCOME BEFORE TAXES	3.2%	5.1%	4.3%	6.8%	5.1%	2.9%

BY SALES VOLUME GROUPS

SELECTED EXPENSES FOR 1979



OPERATING RATIO ANALYSIS

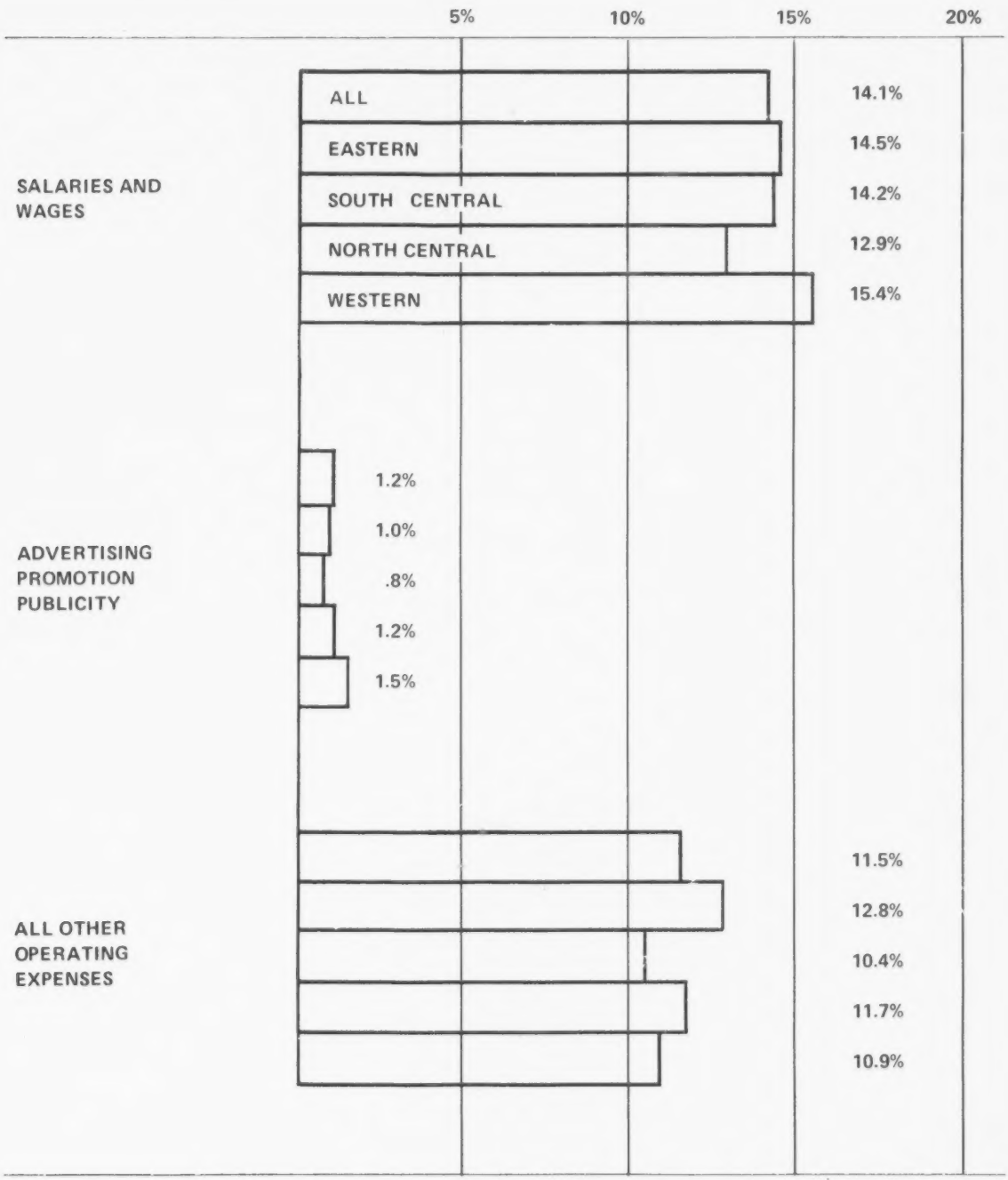
BY SALES VOLUME GROUPS — 1979

OVERVIEW	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Net Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	69.3	62.4	68.8	67.2	69.4	69.6
Gross Profit	30.7	37.6	31.2	32.8	30.6	30.4
Total Operating Expenses	26.8	29.2	25.0	28.8	27.1	26.7
Operating Profit	3.9	8.4	6.2	4.0	3.5	3.7
Other income	.7	-	.2	.4	.8	.8
	4.6	8.4	6.4	4.4	4.3	4.5
Other expense	1.4	.5	1.2	1.1	1.1	1.6
INCOME BEFORE TAXES	3.2%	7.9%	5.2%	3.3%	3.2%	2.9%

DETAIL	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Salaries and wages	14.1%	10.2%	11.3%	14.6%	15.7%	13.9%
Payroll taxes	1.0	.5	.8	.7	.9	1.0
Licenses and other taxes, except income taxes	.5	.8	.7	.6	.3	.5
Advertising, promotion and publicity	1.2	2.9	2.2	1.4	1.4	1.0
Professional services	.3	1.0	.2	.4	.3	.3
Rent	1.7	3.2	2.6	2.9	1.6	1.6
Repairs and maintenance	.3	.6	.2	.5	.3	.3
Light, heat and water	.5	1.4	1.0	.8	.6	.5
Auto and delivery expense	.4	1.1	.4	.5	.6	.4
Depreciation	.7	1.4	.7	.6	.7	.7
Store and office supplies	.5	1.1	.6	.3	.6	.5
General postage	.2	.4	.3	.1	.2	.3
Telephone and telegraph	.6	1.2	.5	.5	.4	.6
Travel and entertainment	.7	.6	.2	.2	.7	.7
Dues and subscriptions	.1	.3	.1	.1	.2	.1
Donations	.1	.2	-	-	.1	.1
Insurance	1.3	2.0	.9	1.4	1.0	1.3
Collection expense	.1	-	.1	-	-	.1
Other operating expenses	2.5	.3	2.2	3.2	1.5	2.8
Total Operating Expenses	26.8%	29.2%	25.0%	28.8%	27.1%	26.7%

BY GEOGRAPHIC LOCATION GROUPS

SELECTED EXPENSES FOR 1979



OPERATING RATIO ANALYSIS

BY GEOGRAPHIC LOCATION GROUPS — 1979

OVERVIEW	Composite	Eastern	South Central	North Central	Western
Net Sales	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	69.3	69.2	70.2	69.3	69.0
Gross Profit	30.7	30.8	29.8	30.7	31.0
Total Operating Expenses	26.8	28.3	25.4	25.8	27.8
Operating Profitses	3.9	2.5	4.4	4.9	3.2
Other income	.7	.3	1.0	.4	1.4
	4.6	2.8	5.4	5.3	4.6
Other expense	1.4	1.2	1.5	1.2	1.9
INCOME BEFORE TAXES	3.2%	1.6%	3.9%	4.1%	2.7%

DETAIL	Composite	Eastern	South Central	North Central	Western
Operating expenses					
Salaries and wages	14.1%	14.5%	14.2%	12.9%	15.4%
Payroll taxes	1.0	1.1	1.0	.7	1.3
Licenses and other taxes, except income taxes	.5	.4	.5	.4	.7
Advertising, promotion and publicity	1.2	1.0	.8	1.2	1.5
Professional services	.3	.4	.4	.2	.3
Rent	1.7	3.2	1.5	1.6	.9
Repairs and maintenance	.3	.2	.2	.3	.3
Light, heat and water	.5	.5	.7	.5	.4
Auto and delivery expense	.4	.4	.4	.4	.5
Depreciation	.7	.8	1.0	.5	.7
Store and office supplies	.5	.4	.7	.6	.5
General postage	.2	.2	.1	.1	.5
Telephone and telegraph	.6	.6	.6	.5	.7
Travel and entertainment	.7	.4	.6	.5	1.3
Dues and subscriptions	.1	.1	.1	.1	.1
Donations	.1	-	.1	.1	-
Insurance	1.3	1.4	1.0	1.3	1.3
Collection expense	.1	-	-	.2	-
Other operating expenses	2.5	2.7	1.5	3.7	1.4
Total Operating Expenses	26.8%	28.3%	25.4%	25.8%	27.8%

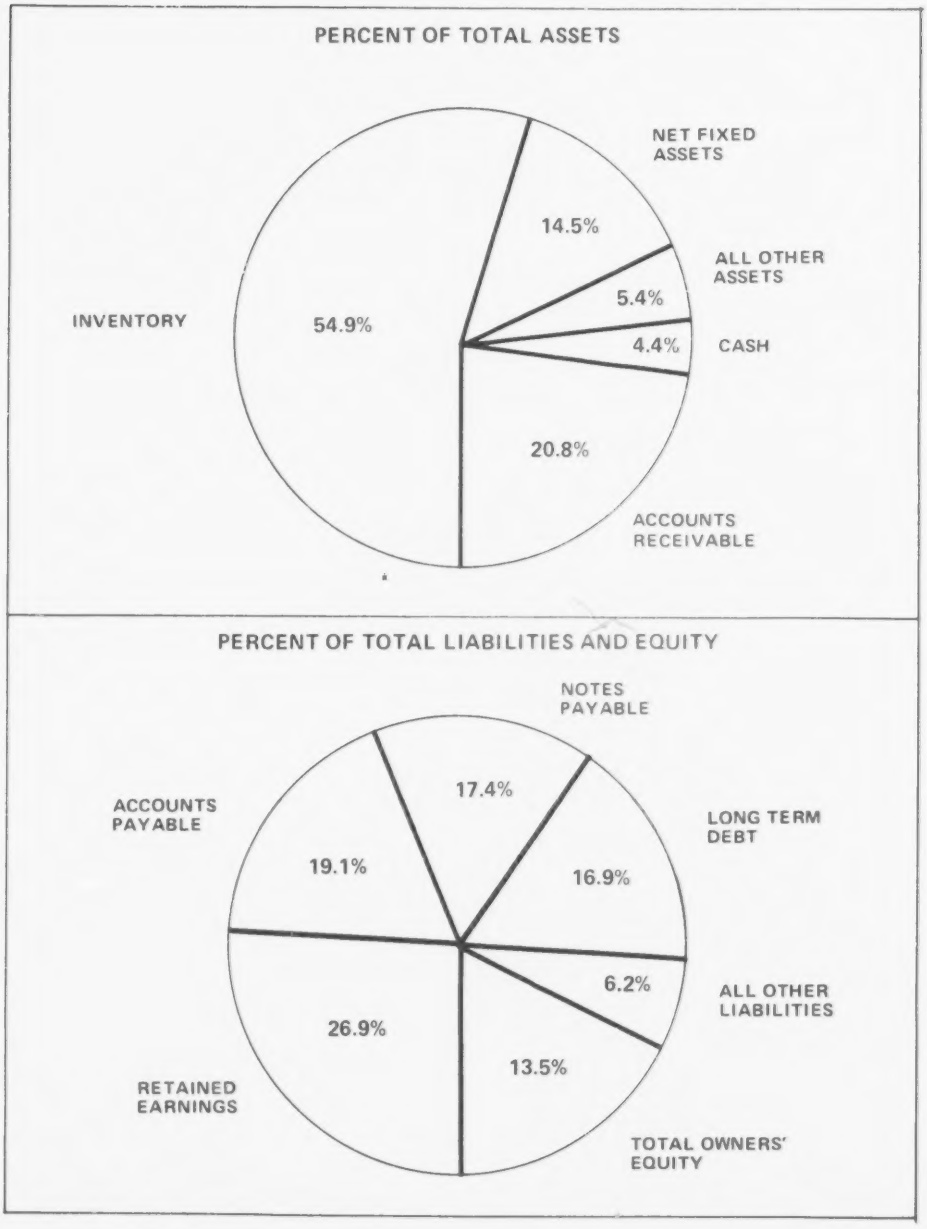
BALANCE SHEET RATIO ANALYSIS

FOR 1979

Composite

Results for team distributors were very similar to those reported last year. The ratio of current assets to fixed assets is about identical.

Long-term debt is up slightly from last year, while owners' equity is reduced somewhat.



BALANCE SHEET RATIO-ANALYSIS

BY SALES VOLUME GROUPS — 1979

ASSETS	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
CURRENT ASSETS						
Cash	4.4%	5.1%	14.7%	3.7%	6.1%	3.4%
Accounts receivable	20.8	7.8	6.8	10.6	21.9	22.3
Inventory	54.9	52.9	66.8	69.8	52.0	54.5
Prepaid expenses	.9	.2	.3	.6	.4	1.1
Other current assets	2.1	.9	1.4	.4	2.1	2.2
Total current assets	83.1	66.9	90.0	85.1	82.5	83.5
FIXED ASSETS						
Fixtures and Equipment	6.4	12.6	6.5	5.9	6.2	6.2
Autos and trucks	2.1	4.1	1.6	2.8	2.8	1.8
Leasehold improvements	2.3	.6	-	.9	3.3	2.3
Buildings	7.3	24.3	3.9	3.9	6.2	7.3
Land	1.5	1.4	.5	2.6	1.7	1.4
Less acc. depr.	5.1	11.7	2.6	5.8	5.5	4.7
Net fixed assets	14.5	31.3	9.9	10.3	14.7	14.3
Other assets	2.4	1.8	.1	4.6	2.8	2.2
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

LIABILITIES AND OWNERS' EQUITY	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
CURRENT LIABILITIES						
Accounts payable	19.1%	7.0%	8.3%	10.1%	15.9%	21.6%
Sales tax payable	.4	.6	.7	.6	.3	.4
Notes payable including current portion of long-term debt	17.4	3.9	14.3	15.7	16.5	18.5
Accrued expenses/wages	2.8	.3	.2	1.1	1.5	3.5
Taxes	1.1	.3	1.3	.2	1.0	1.3
Other accr. liabilities	1.9	.5	4.7	2.1	4.6	.9
Total Current Liabilities	42.7	12.6	29.5	29.8	39.8	46.2
LONG-TERM DEBT						
Mortgages	6.5	2.9	-	4.6	4.5	7.7
Long-term loans	14.2	13.3	24.5	9.8	14.2	14.0
Less current portion of long-term loans	3.8	-	-	-	1.4	5.1
Total Liabilities	59.6	28.8	54.0	44.2	57.1	62.8
EQUITY						
Capital stock or owners' equity	12.1	65.7	41.6	19.8	18.0	6.4
Paid-in capital	1.4	.1	(1.0)	3.5	.7	1.7
Retained earnings	26.9	5.4	5.4	32.5	24.2	29.1
Total Equity	40.4	71.2	46.0	55.8	42.9	37.2
TOTAL LIABILITIES AND EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

BALANCE SHEET RATIO ANALYSIS

BY GEOGRAPHIC LOCATION GROUPS — 1979

ASSETS	Composite	Eastern	South Central	North Central	Western
CURRENT ASSETS					
Cash	4.4%	9.3%	6.8%	2.0%	2.9%
Accounts receivable	20.8	19.4	22.2	20.2	21.6
Inventory	54.9	57.6	58.6	58.9	45.8
Prepaid expenses	.9	.8	1.1	1.2	.3
Other current assets	2.1	-	.5	1.3	5.5
Total current assets	83.1	87.1	89.2	83.6	76.1
FIXED ASSETS					
Fixtures and Equipment	6.4	10.9	6.8	4.8	5.3
Autos and trucks	2.1	1.1	3.3	1.6	2.7
Leasehold improvements	2.3	3.7	2.4	2.3	1.6
Buildings	7.3	.7	4.2	8.6	11.4
Land	1.5	.1	1.2	.9	3.3
Less acc. depr.	5.1	5.1	7.6	4.2	4.5
Net fixed assets	14.5	11.4	10.3	14.0	19.8
Other assets	2.4	1.5	.5	2.4	4.1
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%

LIABILITIES AND OWNERS' EQUITY	Composite	Eastern	South Central	North Central	Western
CURRENT LIABILITIES					
Accounts payable	19.1%	18.9%	20.3%	16.8%	21.5%
Sales tax payable	.4	1.0	.2	.2	.4
Notes payable including current portion of long-term debt	17.4	22.8	16.7	14.9	17.8
Accrued expenses/wages	2.8	4.5	1.6	1.8	3.7
Taxes	1.1	.9	.5	1.4	1.4
Other accr. liabilities	1.9	1.0	1.0	2.1	2.8
Total Current Liabilities	42.7	49.1	40.3	37.2	47.6
LONG-TERM DEBT					
Mortgages	6.5	-	1.4	5.7	14.7
Long-term loans	14.2	3.5	13.1	16.9	17.8
Less current portion of long-term loans	3.8	-	.5	.6	12.3
Total Liabilities	59.6	52.6	54.3	59.2	67.8
EQUITY					
Capital stock or owners' equity	12.1	17.6	8.7	12.2	10.9
Paid-in capital	1.4	.1	2.7	.6	2.6
Retained earnings	26.9	29.7	34.3	28.0	18.7
Total Equity	40.4	47.4	45.7	40.8	32.2
TOTAL LIABILITIES AND EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%

All the ratios have been calculated using pretax financial information. In the glossary on page 126 are given definitions of each ratio, the calculations used, and the standard ranges for each ratio of related retail industries from Troy Almanac of Business and Industrial Financial Ratios, 1979 edition.

Return on Common Equity

(Formerly called "Net Sales to Tangible Net Worth.") This ratio increased substantially over last year, indicating that team retailers have improved their use of capital to generate income. They are above average for all retailers in this regard.

1979	1978	1977	1976	1975	1974	1973
4.68	3.94	4.87	4.32	4.68	4.45	5.21

Return on Investment

(Formerly called "Net Profits to Tangible Net Worth.") Return on investment has continued to decline the fourth year in a row, and is below the average for ait retailers. This finding supports other analyses that sales are slightly down and net income is down for the year.

1979	1978	1977	1976	1975	1974	1973
21.5%	25.0%	30.9%	34.6%	30.5%	15.9%	21.7%

Return on Working Capital

(Formerly called "Net Profits to Net Working Capital.") This ratio continued to decline from last year and is below the average for all retailers. It also remains below the historical average of 28% for retailers.

1979	1978	1977	1976	1975	1974	1973
21.7%	26.8%	32.1%	28.0%	31.3%	16.0%	24.2%

Current Ratio

(Formerly called "Current Assets to Current Liabilities.") The primary measure of liquidity, the current ratio is consistent with the prior two years. Team retailers have an above average current ratio, indicating a liquid financial position, although they are below the desired 2.00.

1979	1978	1977	1976	1975	1974	1973
1.90	1.90	1.95	2.13	2.13	2.32	1.98

Ending Inventory to Working Capital

(Formerly called "Ending Inventory to Net Working Capital.") This ratio reveals that team distributors have a large proportion of working capital invested in inventory. Although this ratio has increased over the past two years, team distributors are still below the average for all retailers.

1979	1978	1977	1976	1975	1974	1973
128.1%	120.8%	122.0%	103.1%	101.2%	105.3%	109.3%

Working Capital Turnover

(Formerly called "Net Sales to Net Working Capital.") Team distributors have a fairly high working capital turnover, indicating that this group does fairly well in using working capital to generate sales dollars. They are above average on this measure.

1979	1978	1977	1976	1975	1974	1973
4.81	3.84	5.28	5.11	4.94	4.22	5.81

Current Debt to Equity

(Formerly called "Current Liabilities to Tangible Net Worth.") This ratio is the primary measure of solvency for sporting goods retailers. The ratio should be below 100 to indicate that owners' equity is sufficient to cover debt. This ratio indicates that team distributors are almost at the breakeven point in maintaining equity to cover current debt.

1979	1978	1977	1976	1975	1974	1973
102.5%	80.9%	82.7%	78.5%	82.3%	76.4%	85.1%

TROPHY SHOPS SURVEY RESULTS

HIGHLIGHTS FOR 1979

Participants — Repondents reporting a trophy shop specialty this year represented 4% of the total, equal to that of last year. This group generated 1% of total sales, also equal to last year.

Sales — Average sales for 1979 were $166,833, the lowest of all specialty groups. This figure also represents a significant decrease from last year when the average trophy shop had sales of $310,925. Trophy shops were at the extreme in most catagories, having the lowest sales volume increase and the lowest sales per square foot.

Inventories — Inventory level increase was the lowest for all groups, and inventory turnover was also the lowest compared to other retailers.

Markup — Composite markup was 55.3% on sales and 123.7% on cost of goods sold, the highest markup percentages of all groups.

Income Before Taxes — Trophy shops decreased cost of goods sold and held increases in operating expenses to a minimum, leading to an income before taxes of 13.8%, the highest net income in four years and the highest of all retailers.

Profitability — Measures of profitability are up sharply this year for trophy shops, although these retailers do not use owners' equity as efficiently as they might. These shops are also highly liquid and very solvent.

Definition

Participants in this survey were exclusively retailers who are members of the National Sporting Goods Association. Retailers included in the Trophy Shop specialty were those retailers reporting 25% or more of their 1979 sales from trophies.

Overview

The trophy shop specialty, as has been the case in past years, consists of the smallest shops in this survey. Trophy shops also represent the fewest shops in total, with only 4% reporting this specialty.

The average trophy shop in 1979 has sales of $166,833, accounting for 1% of total sales reported, and employed 2 salespeople. This is a significant decrease from last year, which had average sales of over $310,000. Also, last year the average store employed 3 salespeople.

Most trophy retailers are incorporated and operate a single store, as usual.

Specific Results

The smallest stores (less than $150,000) represented the greatest response (55%) but the next larger stores ($150,000 to $250,000) accounted for the greatest sales volume. There were no trophy shops reporting over $500,000 in sales. In 1978, the greatest response also came from the smallest retailers, but the largest sales volume was generated by the $250,000 to $500,000 group.

In 1979, most sales were made to individuals, as opposed to 1978, when most sales were made to teams.

There were a few very large size stores (over 6,000 square feet) but the vast majority of those reporting square footage indicated their stores consisted of between 1,000 and 2,000 square feet.

The majority of shops selling trophies sell primarily non-sporting goods; this is the only specialty exhibiting this characteristic.

CHARACTERISTICS OF PARTICIPANTS

		Percent of total Responses	Percent of total Sales
Sales Volume Groups	Less than $150,000	55	28
	$150,000 to $250,000	36	46
	$250,000 to $500,000	9	26
	$500,000 to $1,000,000	0	0
	Over $1,000,000	0	0
Customer Type Groups	Primarily Individuals	64	73
	Primarily Teams	36	27
Geographic Location Groups	Eastern	18	17
	South Central	28	31
	North Central	45	41
	Western	9	11
Product Line Groups	All Sporting Goods	36	22
	Some Nonsporting Goods	64	78
Legal Form Of Organization	Corporation	45	50
	Partnership	18	13
	Proprietorship	37	37
Number of Stores	1	91	98
	2	9	2
	3	0	0
	4	0	0
	5 or more	0	0
Square Feet of Selling Space	Less than 1,000	9	13
	1,000 to 2,000	45	36
	2,000 to 3,000	0	0
	3,000 to 4,000	0	0
	4,000 to 5,000	0	0
	5,000 to 6,000	0	0
	Over 6,000	9	26
	Not specified	37	25
Number of Sales People	1-5	100	100
	6-10	0	0
	11-15	0	0
	16-20	0	0
	21-30	0	0
	31 or more	0	0
	TOTAL	100%	100%

Composite

Trophy shops were at the extremes in all categories in 1979.

Sales volume showed about the same increase as in past years, with this sales volume increase the lowest for all retail groups. Inventory increase was the lowest for all groups, in line with the slower sales growth. Markup percent has continued to increase to the highest level for all retailers for the past four years. Inventory turnover for the year is the lowest of all retailers. Sales per square foot are the lowest for all groups, although this has increased slightly from last year's all-time low.

Sales Volume Groups

Trophy shops typically are small shops, with no retailer reporting over $500,000 in sales. The smaller shops actually decreased their inventory levels. Markups were increasingly higher for the larger retailers, with a low inventory turnover.

Geographic Location Groups

The Eastern group had the slowest sales growth. Both the Eastern and the South Central groups decreased inventory. All groups had very high markups with all groups except the Eastern group showing low inventory turnovers.

COMPOSITE	1979	1978	1977	1976
Percent increase (decrease) in sales volume over previous year	10.6	10.0	10.6	1.7
Percent increase (decrease) in inventory at year-end	5.0	9.6	.1	10.5
Realized markup percent on cost of goods sold	123.7	77.3	72.8	70.0
Realized markup percent on sales	55.3	43.6	42.1	41.2
Inventory turnover ratio	1.5	2.4	2.4	2.0
Sales per square foot of selling space	$ 83	$ 68	$ 92	$165

SALES AND INVENTORY ANALYSIS

FOR 1979

GEOGRAPHIC LOCATION GROUPS	Composite	Eastern	South Central	North Central	Western
Percent increase (decrease) in sales volume over previous year	10.6	3.8	I	13.0	14.1
Percent increase (decrease) in inventory at year-end	5.0	(4.0)	(1.6)	2.8	I
Realized mark-up percent on cost of goods sold	123.7	109.7	143.5	108.9	161.6
Realized mark-up percent on sales	55.3	47.7	58.9	52.1	61.8
Inventory turnover ratio	1.5	3.3	1.3	1.4	1.0
Sales per square foot of selling space	$ 83	$166	$ 54	$108	I

SALES VOLUME GROUPS	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Percent increase (decrease) in sales volume over previous year	13.5	9.5	I	Insufficient Response	Insufficient Response
Percent increase (decrease) in inventory at year-end	(.4)	12.2	I		
Realized mark-up percent on cost of goods sold	68.2	149.0	168.7		
Realized mark-up percent on sales	40.5	59.8	62.8		
Inventory turnover ratio	1.4	1.5	1.5		
Sales per square foot of selling space	$ 53	$170	$ 60		

I = Insufficient Response

Composite

The largest expenses for trophy shops were salaries and wages, advertising, rent and insurance. Trophy shops were able to decrease salaries and wages, a controllable cost, from 1978 results. However, they increased advertising. Rent, which is difficult to control, increased, but trophy shops were able to decrease insurance.

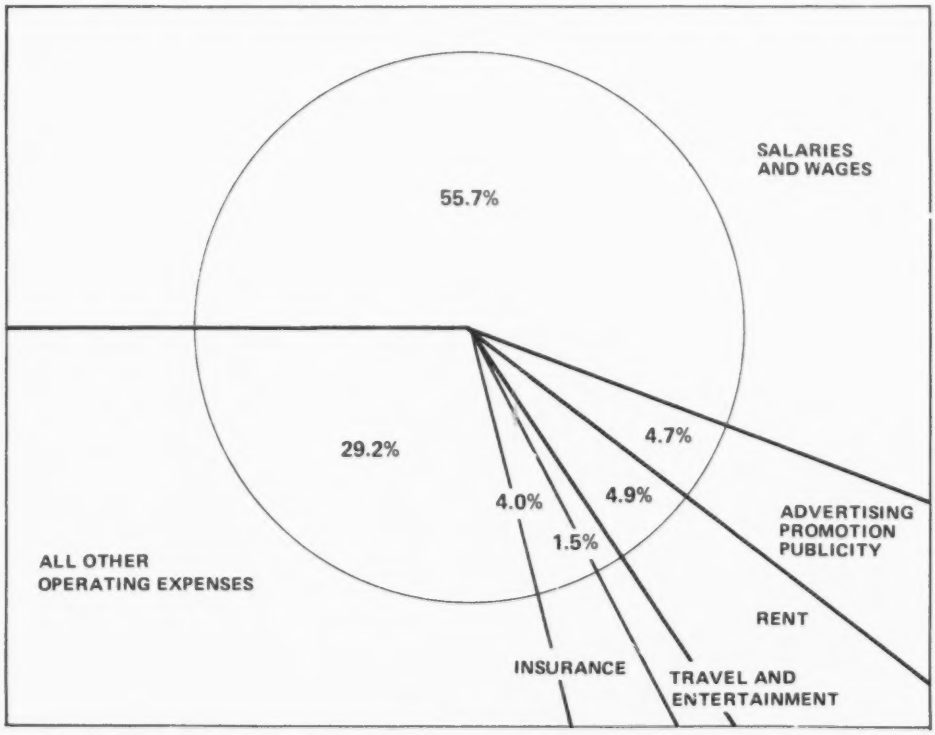
Geographic Location Groups

The North Central group had the lowest wages, the highest advertising, the highest rent, and the highest insurance. Other results were mixed.

Sales Volume Groups

The smaller retailers spent more on advertising, less on wages, more on rent and more on insurance proportionately than did the larger retailers. These results were consistent with past years.

RELATIONSHIP OF SELECTED EXPENSES TO TOTAL EXPENSES



COMPOSITE – 1979

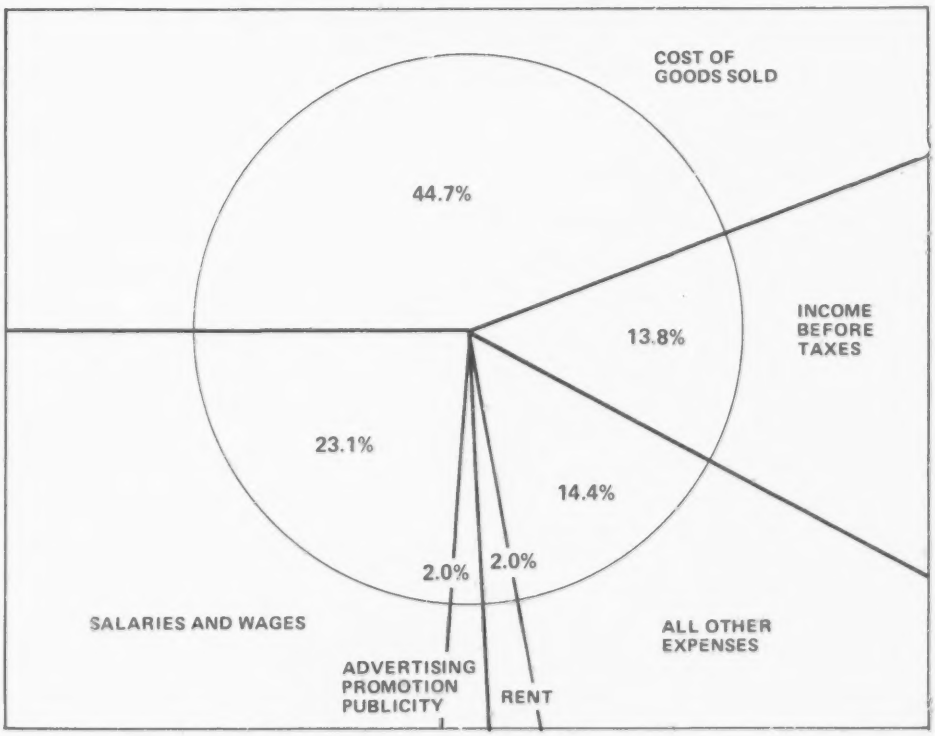
RELATIONSHIP OF INDIVIDUAL EXPENSES TO TOTAL EXPENSES — 1979

GEOGRAPHIC LOCATION GROUPS	Composite	Eastern	South Central	North Central	Western
Salaries and wages	55.7%	Insufficient Response	61.8%	43.2%	Insufficient Response
Payroll taxes	3.6		3.2	2.6	
Licenses and other taxes, except income taxes	2.2		1.8	3.9	
Advertising, promotion and publicity	4.7		3.4	7.1	
Professional services	1.3		.1	1.0	
Rent	4.9		3.5	8.1	
Repairs and maintenance	.6		.7	.5	
Light, heat and water	2.6		1.6	4.7	
Auto and delivery expense	2.6		1.8	2.8	
Depreciation	3.5		5.8	1.1	
Store and office supplies	3.6		4.7	2.1	
General postage	1.5		1.7	2.4	
Telephone and telegraph	2.3		2.3	1.6	
Travel and entertainment	1.5		1.5	2.1	
Dues and subscriptions	.6		.4	.9	
Donations	.2		.1	.5	
Insurance	4.0		3.9	4.9	
Collection expense	.1		-	-	
Other operating expenses	4.5		1.7	10.5	

SALES VOLUME GROUPS	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Salaries and wages	44.3%	52.5%	Insufficient Response	Insufficient Response	Insufficient Response
Payroll taxes	2.2	4.7			
Licenses and other taxes, except income taxes	2.2	3.2			
Advertising, promotion and publicity	9.5	4.8			
Professional services	1.6	2.5			
Rent	8.2	5.2			
Repairs and maintenance	.9	.2			
Light, heat and water	5.1	2.4			
Auto and delivery expense	2.8	3.2			
Depreciation	1.5	1.6			
Store and office supplies	3.8	2.8			
General postage	3.8	.1			
Telephone and telegraph	3.1	2.4			
Travel and entertainment	1.7	1.4			
Dues and subscriptions	.8	.7			
Donations	.7	.1			
Insurance	7.1	2.1			
Collection expense	-	.2			
Other operating expenses	.7	9.9			
Total Operating Expenses	100.0%	100.0%	100.0%	100.0%	100.0%

Composite	Trophy shops had a large decrease in cost of goods sold, leading to the highest gross profit in recent years. Also, they had only a small increase in operating expenses. As a result, trophy shops reported the highest operating profit and net income in four years and the highest for all specialty shops.
Sales Volume Groups	The smaller retailers did not do quite as well as the larger retailers, due largely to a higher cost of goods sold, but they still reported almost twice the net income of the other specialty groups.
Geographic Location Groups	The substantial difference between the South Central group and the North Central group is almost entirely due to the difference in operating expenses, specifically salaries.

RELATIONSHIP OF SELECTED EXPENSES TO SALES



COMPOSITE – 1979

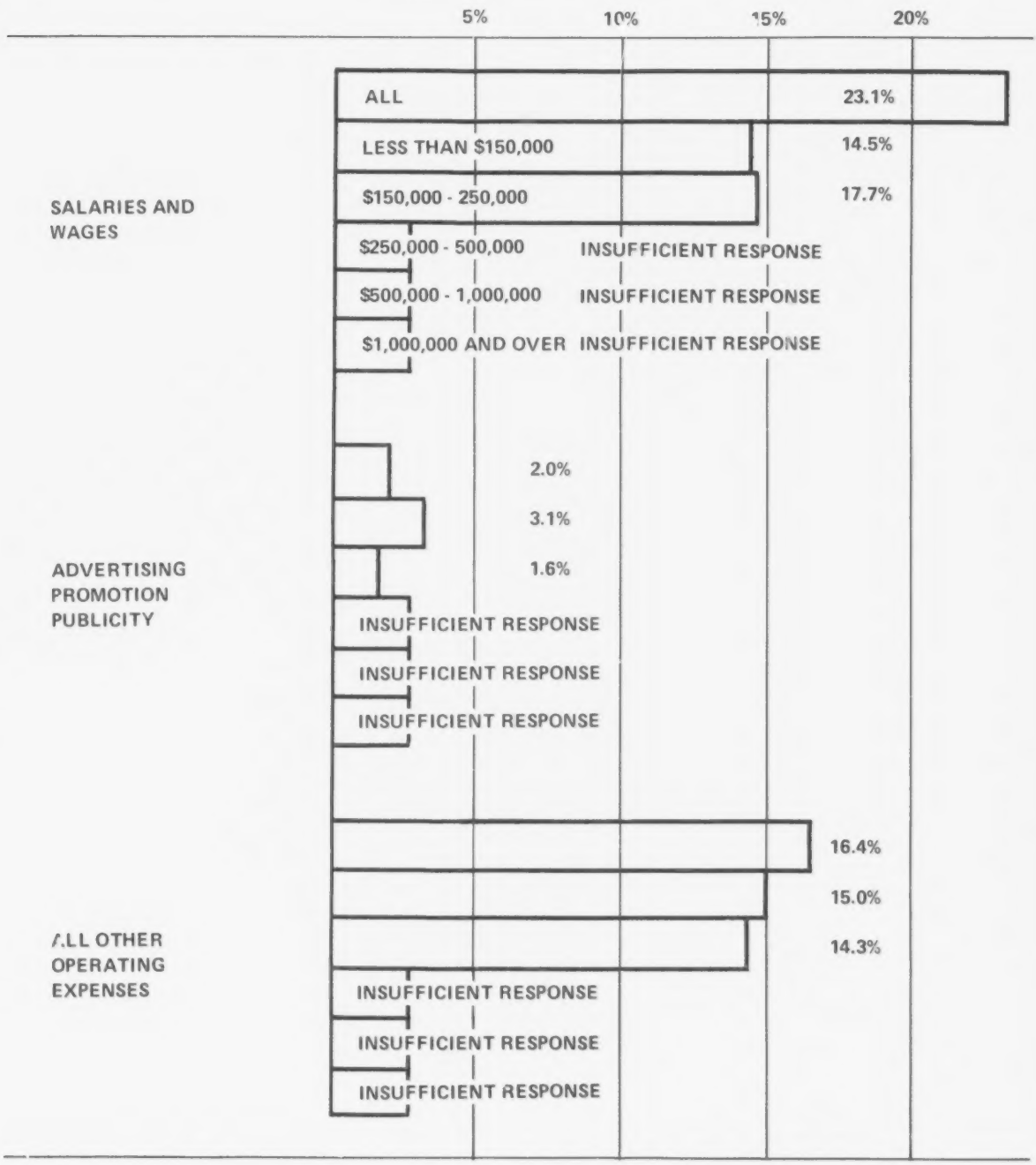
OPERATING RATIO ANALYSIS

AVERAGE — 1976-1979

	1979	1978	1977	1976
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	44.7	56.0	57.9	59.5
Gross profit	55.3	44.0	42.1	40.5
Operating expenses				
Salaries and wages	23.1	22.4	20.9	18.4
Payroll taxes	1.5	1.6	1.5	1.7
Licenses and other taxes except income taxes	.9	.5	.7	.8
Advertising, promotion and publicity	2.0	1.5	1.4	1.5
Professional Services	.5	.7	.3	.1
Rent	2.0	1.5	2.7	3.8
Repairs and Maintenance	.2	.4	.5	1.0
Light, heat and water	1.1	.8	1.0	1.3
Auto and delivery expense	1.1	1.0	.6	.7
Depreciation	1.5	1.0	.9	1.3
Store and office supplies	1.5	1.4	.9	.9
General postage	.6	.1	.3	.3
Telephone and telegraph	.9	.7	.8	.9
Travel and entertainment	.6	.4	.7	1.0
Dues and subscriptions	.2	.1	.2	.3
Donations	.1	-	-	.1
Insurance	1.7	2.1	1.8	2.0
Collection expense	-	-	-	-
Other operating expenses	2.0	2.5	1.7	1.3
Total operating expenses	41.5	38.7	36.9	37.4
Operating profit	13.8	5.3	5.2	3.1
Other income	1.2	.7	.6	.7
	15.0	6.0	5.8	3.8
Other expense	1.2	.8	1.0	1.5
INCOME BEFORE TAXES	13.8%	5.2%	4.8%	2.3%

BY SALES VOLUME GROUPS

SELECTED EXPENSES FOR 1979



OPERATING RATIO ANALYSIS

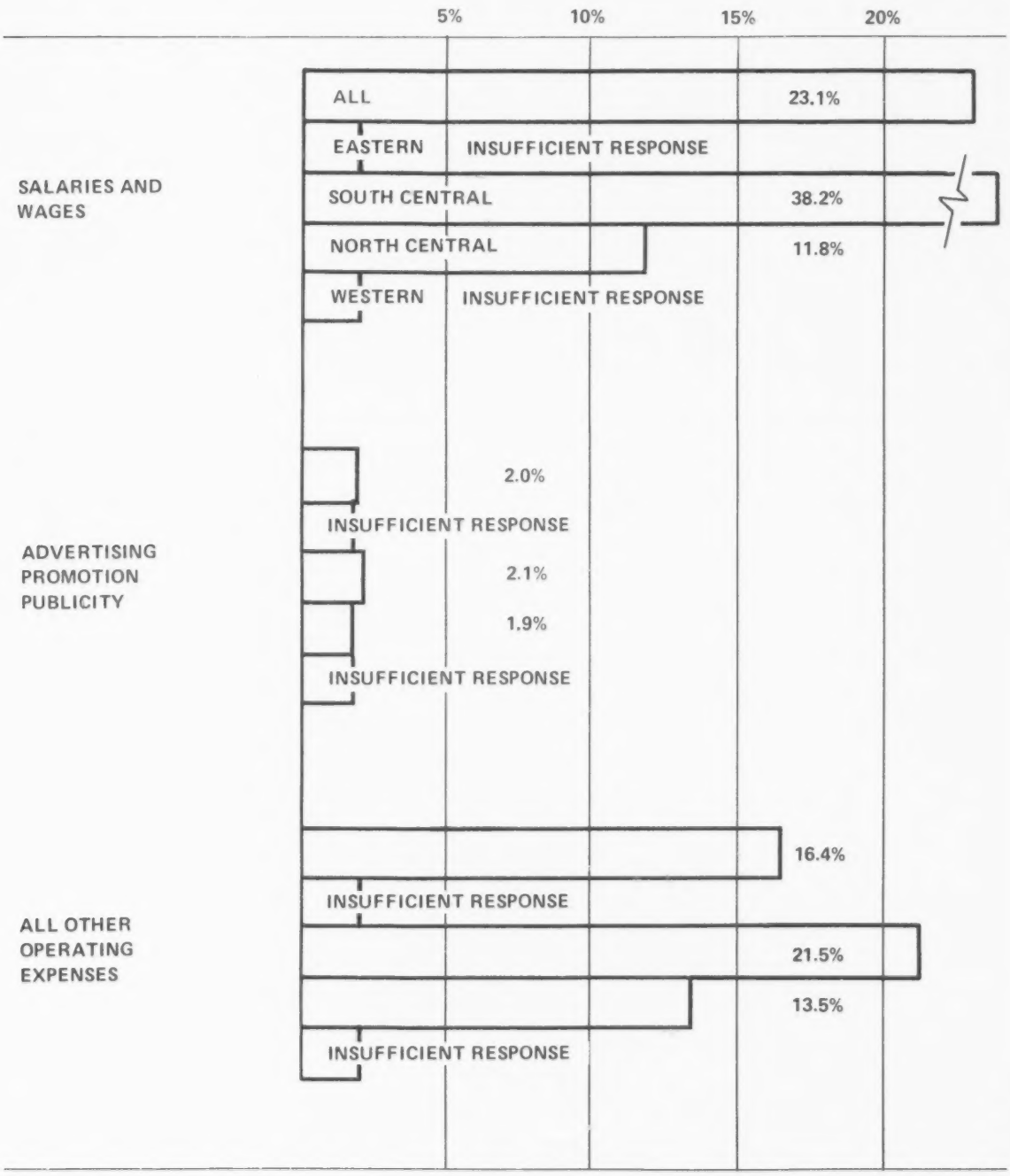
BY SALES VOLUME GROUPS — 1979

OVERVIEW	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Net Sales	100.0%	100.0%	100.0%	Insufficient Response	Insufficient Response	Insufficient Response
Cost of Goods Sold	44.7	59.4	40.2			
Gross Profit	55.3	40.6	59.8			
Total Operating Expenses	41.5	32.6	33.6			
Operating Profit	13.8	8.0	26.2			
Other income	1.2	-	1.9			
	15.0	8.0	28.1			
Other expense	1.2	1.2	2.0			
INCOME BEFORE TAXES	13.8%	6.8%	26.1%			

DETAIL	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Salaries and wages	23.1%	14.5%	17.7%	Insufficient Response	Insufficient Response	Insufficient Response
Payroll taxes	1.5	.7	1.6			
Licenses and other taxes, except income taxes	.9	.7	1.1			
Advertising, promotion and publicity	2.0	3.1	1.6			
Professional services	.5	.5	.8			
Rent	2.0	2.7	1.8			
Repairs and maintenance	.2	.3	.1			
Light, heat and water	1.1	1.7	.8			
Auto and delivery expense	1.1	.9	1.1			
Depreciation	1.5	.5	.5			
Store and office supplies	1.5	1.2	.9			
General postage	.6	1.2	-			
Telephone and telegraph	.9	1.0	.8			
Travel and entertainment	.6	.6	.5			
Dues and subscriptions	.2	.3	.2			
Donations	.1	.2	-			
Insurance	1.7	2.3	.7			
Collection expense	-	-	.1			
Other operating expenses	2.0	.2	3.3			
Total Operating Expenses	41.5%	32.6%	33.6%			

BY GEOGRAPHIC LOCATION GROUPS

SELECTED EXPENSES FOR 1979



OPERATING RATIO ANALYSIS

BY GEOGRAPHIC LOCATION GROUPS — 1979

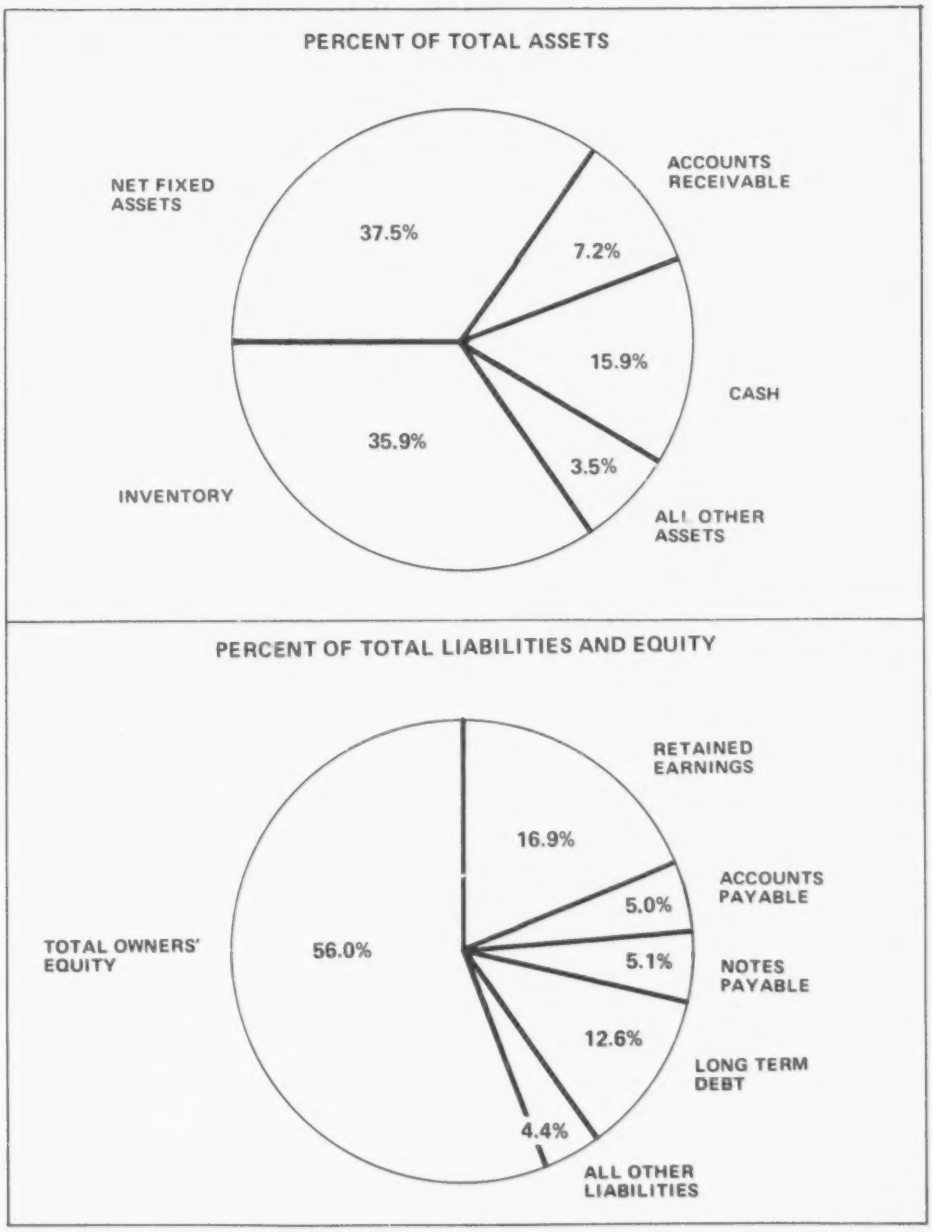
OVERVIEW	Composite	Eastern	South Central	North Central	Western
Net Sales	100.0%	Insufficient Response	100.0%	100.0%	Insufficient Response
Cost of Goods Sold	44.7		41.1	47.9	
Gross Profit	55.3		58.9	52.1	
Total Operating Expenses	41.5		61.8	27.2	
Operating Profit	13.8		(2.9)	24.9	
Other income	1.2		1.1	1.8	
	15.0		(1.8)	26.7	
Other expense	1.2		.5	2.2	
INCOME BEFORE TAXES	13.8%		(2.3)%	24.5%	

DETAIL	Composite	Eastern	South Central	North Central	Western
Operating expenses		Insufficient Response			Insufficient Response
Salaries and wages	23.1%		38.2%	11.8%	
Payroll taxes	1.5		2.0	.7	
Licenses and other taxes, except income taxes	.9		1.1	1.1	
Advertising, promotion and publicity	2.0		2.1	1.9	
Professional services	.5		-	.3	
Rent	2.0		2.2	2.2	
Repairs and maintenance	.2		.5	.1	
Light, heat and water	1.1		1.0	1.3	
Auto and delivery expense	1.1		1.1	.8	
Depreciation	1.5		3.6	.3	
Store and office supplies	1.5		2.9	.6	
General postage	.6		1.0	.6	
Telephone and telegraph	.9		1.4	.4	
Travel and entertainment	.6		1.0	.6	
Dues and subscriptions	.2		.3	.2	
Donations	.1		-	.1	
Insurance	1.7		2.4	1.3	
Collection expense	-		-	-	
Other operating expenses	2.0		1.0	2.9	
Total Operating Expenses	41.5%		61.8%	27.2%	

Composite

Trophy shops were the only specialty that substantially changed its balance sheet ratios. Current assets are down, due primarily to lower inventories and receivables.

Current liabilities, also, are down while long-term debt is increased somewhat, as is total owners' equity.



BALANCE SHEET RATIO ANALYSIS

BY SALES VOLUME GROUPS — 1979

ASSETS	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
CURRENT ASSETS						
Cash	15.9%	6.7%	6.8%			
Accounts receivable	7.2	9.6	4.7			
Inventory	35.9	63.5	28.3			
Prepaid expenses	.9	3.3	.1			
Other current assets	1.0	.6	1.7			
Total current assets	60.9	83.7	41.6			
FIXED ASSETS						
Fixtures and Equipment	9.3	9.7	4.0			
Autos and trucks	2.4	1.4	2.1			
Leasehold improvements	.2	.8	-			
Buildings	30.7	-	52.9			
Land	1.0	-	2.0			
Less acc. depr.	6.1	.8	3.6			
Net fixed assets	37.5	11.1	57.4			
Other assets	1.6	5.2	1.0			
TOTAL ASSETS	100.0%	100.0%	100.0%			

Insufficient Response

LIABILITIES AND OWNERS' EQUITY	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
CURRENT LIABILITIES						
Accounts payable	5.0%	11.0%	5.0%			
Sales tax payable	.2	.4	.2			
Notes payable including current portion of long-term debt	5.1	4.9	7.9			
Accrued expenses/wages	2.0	.1	.8			
Taxes	1.2	1.1	.9			
Other accr. liabilities	1.0	5.0	-			
Total Current Liabilities	14.5	22.5	14.8			
LONG-TERM DEBT						
Mortgages	6.1	3.6	10.3			
Long-term loans	6.5	17.4	5.5			
Less current portion of long-term loans	-	-	-			
Total Liabilities	27.1	43.5	30.6			
EQUITY						
Capital stock or owners' equity	40.2	41.2	42.7			
Paid-in capital	15.8	.3	-			
Retained earnings	16.9	15.0	26.7			
Total Equity	72.9	56.5	69.4			
TOTAL LIABILITIES AND EQUITY	100.0%	100.0%	100.0%			

Insufficient Response

BALANCE SHEET RATIO ANALYSIS

BY GEOGRAPHIC LOCATION GROUPS —1979

ASSETS	Composite	Eastern	South Central	North Central	Western
CURRENT ASSETS					
Cash	15.9%		34.1%	2.6%	
Accounts receivable	7.2		9.4	3.6	
Inventory	35.9		35.0	32.9	
Prepaid expenses	.9		1.7	.5	
Other current assets	1.0		.4	1.7	
Total current assets	60.9	Insufficient Response	80.6	41.3	Insufficient Response
FIXED ASSETS					
Fixtures and Equipment	9.3		17.5	4.3	
Autos and trucks	2.4		3.3	1.7	
Leasehold improvements	.2		.5	-	
Buildings	30.7		10.8	50.8	
Land	1.0		-	-	
Less acc. depr.	6.1		12.7	.3	
Net fixed assets	37.5		19.4	56.5	
Other assets	1.6		-	2.2	
TOTAL ASSETS	100.0%		100.0%	100.0%	

LIABILITIES AND OWNERS' EQUITY	Composite	Eastern	South Central	North Central	Western
CURRENT LIABILITIES					
Accounts payable	5.0%		3.4%	3.5%	
Sales tax payable	.2		.2	.1	
Notes payable including current portion of long-term debt	5.1		-	5.8	
Accrued expenses/wages	2.0		4.9	-	
Taxes	1.2		1.9	.2	
Other accr. liabilities	1.0		-	2.0	
Total Current Liabilities	14.5	Insufficient Response	10.4	11.6	Insufficient Response
LONG-TERM DEBT					
Mortgages	6.1		-	11.9	
Long-term loans	6.5		.8	11.8	
Less current portion of long-term loans	-		-	-	
Total Liabilities	27.1		11.2	35.3	
EQUITY					
Capital stock or owners' equity	40.2		40.4	41.0	
Paid-in capital	15.8		48.7	-	
Retained earnings	16.9		(.3)	23.7	
Total Equity	72.9		88.8	64.7	
TOTAL LIABILITIES AND EQUITY	100.0%		100.0%	100.0%	

All the ratios have been calculated using pretax financial information. In the glossary on page 126 are given definitions of each ratio, the calculations used, and the standard ranges for each ratio of related retail industries from Troy Almanac of Business and Industrial Financial Ratios, 1979 edition.

Return on Common Equity

(Formerly called "Net Sales to Tangible Net Worth.") This ratio has continued to decline over the past four years, indicating that trophy retailers continue to use owners' equity less efficiently than they should. As noted earlier, owners' equity continues to climb as a percent of liabilities and equity.

1979	1978	1977	1976
1.63	2.81	3.63	4.76

Return on Investment

(Formerly called "Net Profits to Tangible Net Worth.") The primary measure of profitability, this ratio is the highest of all groups, indicating that trophy shops are very profitable. This result is supported by the high net income of 1979, which was generated on a lower sales volume than last year.

1979	1978	1977	1976
28.2%	14.6%	20.2%	15.1%

Return on Working Capital

(Formerly called "Net Profits to Net Working Capital.") Another measure of profitability, this ratio is also up sharply from last year, confirming that trophy shops are more profitable than the average retailer.

1979	1978	1977	1976
29.3%	17.5%	22.1%	14.0%

Current Ratio

(Formerly called "Current Assets to Current Liabilities.") The primary measure of liquidity, the current ratio is up from last year, indicating that current assets increased relative to current liabilities. Trophy shops are the most liquid of all retailers.

1979	1978	1977	1976
2.69	2.59	3.13	2.03

Ending Inventory to Working Capital

(Formerly called "Ending Inventory to Net Working Capital.") Trophy shops continue to have a lower proportion of working capital invested in inventory than the average retailer. This result is supported by the balance sheet analysis where inventory decreased from last year. Thus trophy shops continue to maintain high liquidity.

1979	1978	1977	1976
77.5%	73.8%	95.8%	134.1%

Working Capital Turnover

(Formerly called "Net Sales to Net Working Capital.") The third measure of liquidity, this ratio indicates that this group is not utilizing operating funds as well as it might. 2.56 is well below the average.

1979	1978	1977	1976
2.56	3.32	4.02	4.43

Current Debt to Equity

(Formerly called "Current Liabilities to Tangible Net Worth.") This ratio is the primary measure of solvency for sporting goods retailers. The ratio should be below 100 to indicate that owners' equity is sufficient to cover debt. The past several years' results indicate that trophy shops continue to maintain very low debt, and rely heavily on owners' equity for financing.

1979	1978	1977	1976
28.9%	29.8%	42.3%	84.6%

SKI RETAILERS SURVEY RESULTS

HIGHLIGHTS FOR 1979

Participants — Repondents reporting a ski retail specialty this year represented 14% of the total, down from 15% of last year. This group generated 20% of total sales, up significantly from the 14% of last year.

Sales — Average sales for 1979 were $1,199,997, a significant increase from last year and the highest of all specialty groups. Sales per square foot were the highest of the past four years, and above the average for all retailers.

Inventories — Inventory level increases were a bit above average, and inventory turnover remains at 2.5.

Markup — Composite markup was 38.7% on sales and 63.1% on cost of goods sold, consistent with prior years.

Income Before Taxes — Income before taxes was 3.3% of sales, down from the 4.3% of last year, in spite of the fact that this group was the only one able to decrease operating expenses. Income decreased primarily because of higher cost of goods sold and the rising interest costs resulting from higher leverage.

Profitability — Measures of profitability were mixed for ski retailers, although profits are generally well above average. This group maintains a fairly high debt level.

Definition

Participants in this survey were exclusively retailers who are members of the National Sporting Goods Association. Retailers included in the Ski Retailers specialty group were those retailers reporting 25% or more of their 1979 sales from ski equipment.

Overview

14% of all respondents reported ski equipment as a specialty, with these respondents representing 20% of all sales. This is an increase over last year when 15% of the respondents indicated a ski specialty but accounted for only 14% of all sales.

The average ski retailer had sales of $1,199,997 in 1979, which represents a significant increase from 1978 average sales of $856,321. This average sales figure is the highest for all specialties. Also in 1979, the average retailer employed 10 salespeople, the same as in 1978.

Most ski retailers are incorporated and operate a single store, although a significant number of retailers operate more than one store. As in past years, almost all ski sales are made to individuals.

The most notable result in the ski specialty is that both percent of responses and percent of sales show a steady increase from the smallest sales volume group to the largest. In the ski specialty, it appears that larger stores are the more successful, and there are few smaller stores.

Specific Results

The greatest number of responses were received from the largest stores (over $1,000,000), which also generated the greatest percent of sales. In 1978, the most responses were received by the $500,000 to $1,000,000 group, although the most sales were still generated by the largest retailers.

This year the most responses were received by stores with under 5 salespeople, but the most sales were reported by stores having between 6 and 10 salespeople.

CHARACTERISTICS OF PARTICIPANTS

		Percent of total Responses	Percent of total Sales
Sales Volume Groups	Less than $150,000	3	1
	$150,000 to $250,000	13	2
	$250,000 to $500,000	15	5
	$500,000 to $1,000,000	29	19
	Over $1,000,000	40	73
Customer Type Groups	Primarily Individuals	98	96
	Primarily Teams	2	4
Geographic Location Groups	Eastern	10	9
	South Central	8	7
	North Central	37	43
	Western	45	41
Product Line Groups	All Sporting Goods	80	60
	Some Nonsporting Goods	20	40
Legal Form Of Organization	Corporation	98	99
	Partnership	0	0
	Proprietorship	2	1
Number of Stores	1	60	52
	2	18	13
	3	17	23
	4	5	12
	5 or more	0	0
Square Feet of Selling Space	Less than 1,000	3	1
	1,000 to 2,000	14	5
	2,000 to 3,000	9	2
	3,000 to 4,000	12	7
	4,000 to 5,000	8	6
	5,000 to 6,000	9	9
	Over 6,000	28	52
	Not specified	17	18
Number of Sales People	1-5	38	14
	6-10	31	29
	11-15	15	20
	16-20	8	7
	21-30	4	10
	31 or more	4	20
	TOTAL	100%	100%

Composite

Sales volume increased slightly less quickly than last year, and below the average for all retailers. Inventory level increases were slightly above average. Markup percent is consistent with past years and above the average. Inventory turnover remains steady at 2.5. Ski shops are the only specialty group that had an above average markup and yet managed an above average inventory turnover. Sales per square feet were the highest of the past four years and above the average for all retail groups.

Sales Volume Groups

The smallest retailers reported the lowest sales volume increase, the highest inventory increase, the highest markup, the lowest inventory turnover and low sales per square foot. The $150,000 to $250,000 group had the highest sales volume increase.

Geographic Location Groups

In spite of very high markup and an average turnover ratio, Eastern ski retailers reported the lowest sales per square foot.

The Western group, on the other hand, kept their inventory increases down, and with an average markup and an average inventory turnover, this group reported the highest sales per square foot.

COMPOSITE	1979	1978	1977	1976	1975
Percent increase (decrease) in sales volume over previous year	13.7	18.6	7.1	29.3	11.7
Percent increase (decrease) in inventory at year-end	11.7	2.8	27.4	19.9	(.1)
Realized markup percent on cost of goods sold	63.1	65.1	61.1	55.1	55.2
Realized markup percent on sales	38.7	39.4	37.9	35.5	35.6
Inventory turnover ratio	2.5	2.5	2.4	2.5	2.4
Sales per square foot of selling space	$164	$134	$118	$118	$ 96

SALES AND INVENTORY ANALYSIS

FOR 1979

GEOGRAPHIC LOCATION GROUPS	Composite	Eastern	South Central	North Central	Western
Percent increase (decrease) in sales volume over previous year	13.7	(19.0)	4.0	15.4	24.0
Percent increase (decrease) in inventory at year-end	11.7	3.7	(5.5)	20.5	7.7
Realized mark-up percent on cost of goods sold	63.1	91.4	82.2	57.0	61.3
Realized mark-up percent on sales	38.7	47.8	45.1	36.3	38.0
Inventory turnover ratio	2.5	2.4	2.4	2.4	2.5
Sales per square foot of selling space	$164	$111	$152	$147	$190

SALES VOLUME GROUPS	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Percent increase (decrease) in sales volume over previous year	10.0	32.9	16.4	16.4	12.4
Percent increase (decrease) in inventory at year-end	21.0	14.2	11.4	16.1	10.4
Realized mark-up percent on cost of goods sold	67.7	66.2	61.9	62.3	63.2
Realized mark-up percent on sales	40.4	39.8	38.2	38.4	38.7
Inventory turnover ratio	1.3	2.2	1.8	2.4	2.5
Sales per square foot of selling space	$111	$104	$153	$170	$167

Composite

The largest expenses for ski retailers were salaries and wages, advertising, rent and insurance. Ski shops were able to decrease salaries, wages and advertising from 1978. Insurance costs, however, increased. Ski retailers were the only specialty group that managed to decrease rent.

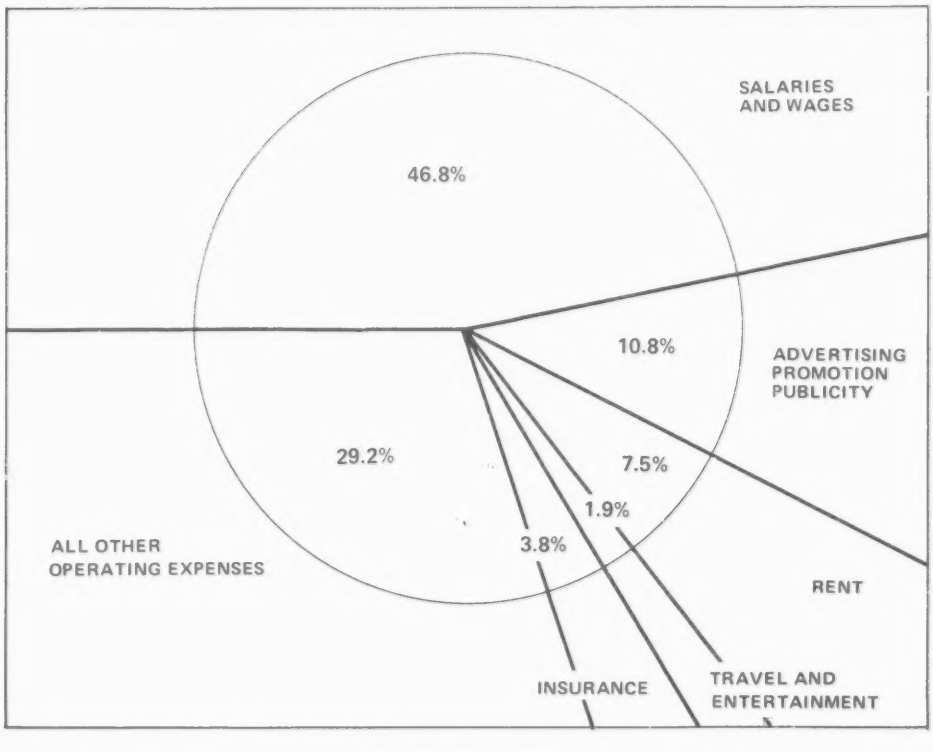
Geographic Location Groups

The North Central group had the highest wages and the highest advertising expenses. The South Central group had the highest rent but the lowest insurance and advertising expenses.

Sales Volume Groups

The smallest retailers had the lowest salary, advertising and insurance expense, but the highest rent. The largest retailers had the highest advertising and the lowest rent.

RELATIONSHIP OF SELECTED EXPENSES TO TOTAL EXPENSES



COMPOSITE – 1979

OPERATING EXPENSE ANALYSIS

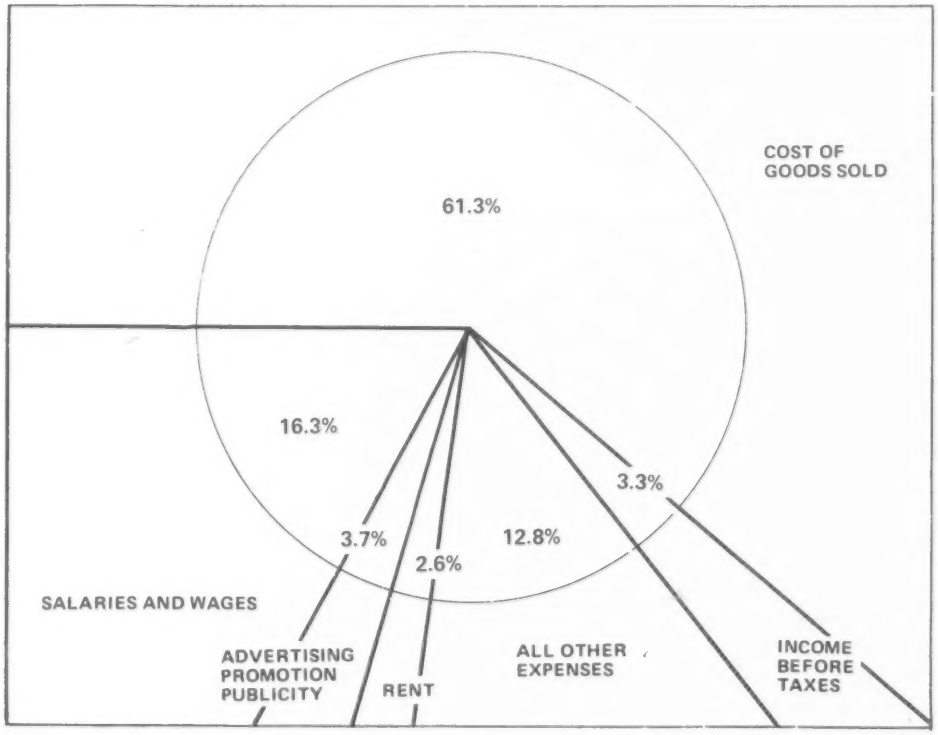
RELATIONSHIP OF INDIVIDUAL EXPENSES TO TOTAL EXPENSES — 1979

GEOGRAPHIC LOCATION GROUPS	Composite	Eastern	South Central	North Central	Western
Salaries and wages	46.8%	47.5%	44.3%	50.4%	43.6%
Payroll taxes	3.4	4.8	2.8	3.6	3.0
Licenses and other taxes, except income taxes	1.4	.3	3.7	1.1	1.6
Advertising, promotion and publicity	10.8	7.7	6.4	15.9	7.6
Professional services	1.3	1.6	1.2	.7	1.7
Rent	7.5	6.6	9.9	8.1	6.7
Repairs and maintenance	1.3	.6	1.6	1.2	1.5
Light, heat and water	4.6	1.6	2.6	2.6	8.0
Auto and delivery expense	1.2	.6	1.0	1.0	1.5
Depreciation	2.9	1.3	4.7	2.4	3.5
Store and office supplies	2.8	1.8	2.1	2.8	3.3
General postage	.2	-	.2	.2	.1
Telephone and telegraph	1.1	1.6	1.1	1.2	.7
Travel and entertainment	1.9	.8	2.7	1.9	2.0
Dues and subscriptions	.4	.4	.3	.3	.6
Donations	.4	-	-	.2	.9
Insurance	3.8	6.1	2.7	3.3	3.8
Collection expense	.2	.3	1.2	.1	.1
Other operating expenses	8.0	16.4	11.5	3.0	9.8

SALES VOLUME GROUPS	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Salaries and wages	Insufficient Response	38.5%	43.5%	51.8%	46.2%
Payroll taxes		4.8	3.7	3.7	3.3
Licenses and other taxes, except income taxes		3.3	4.8	2.5	.9
Advertising, promotion and publicity		7.3	7.7	9.6	11.3
Professional services		.6	.8	1.3	1.3
Rent		16.0	7.9	7.7	7.2
Repairs and maintenance		.8	1.8	1.2	1.3
Light, heat and water		1.5	2.9	1.9	5.5
Auto and delivery expense		1.9	.9	1.3	1.1
Depreciation		5.9	6.0	3.6	2.4
Store and office supplies		4.0	3.3	2.2	2.9
General postage		1.0	.7	.3	-
Telephone and telegraph		2.2	.8	1.4	.9
Travel and entertainment		4.7	2.8	2.6	1.5
Dues and subscriptions		.6	.2	.5	.4
Donations		-	.1	.2	.5
Insurance		3.3	4.0	3.9	3.7
Collection expense		-	-	.3	.2
Other operating expenses		3.6	8.1	4.0	9.4
Total Operating Expenses	100.0%	100.0%	100.0%	100.0%	100.0%

Composite	Ski retailers were actually able to decrease operating expenses, the only specialty group able to do so. Operating profit was slightly down, however, because of a higher cost of goods sold. Income was down from last year, due also to rising "other expense" which consists largely of interest costs.
Sales Volume Groups	The smallest retailers reported the largest net income, an unusual result. Although they reported the lowest operating profit, they had considerable "other income" and lower "other expense," resulting in a high net income.
Geographic Location Groups	The Eastern group, with the highest operating expenses, reported the lowest income, as would be expected. Other results were mixed.

RELATIONSHIP OF SELECTED EXPENSES TO SALES



COMPOSITE – 1979

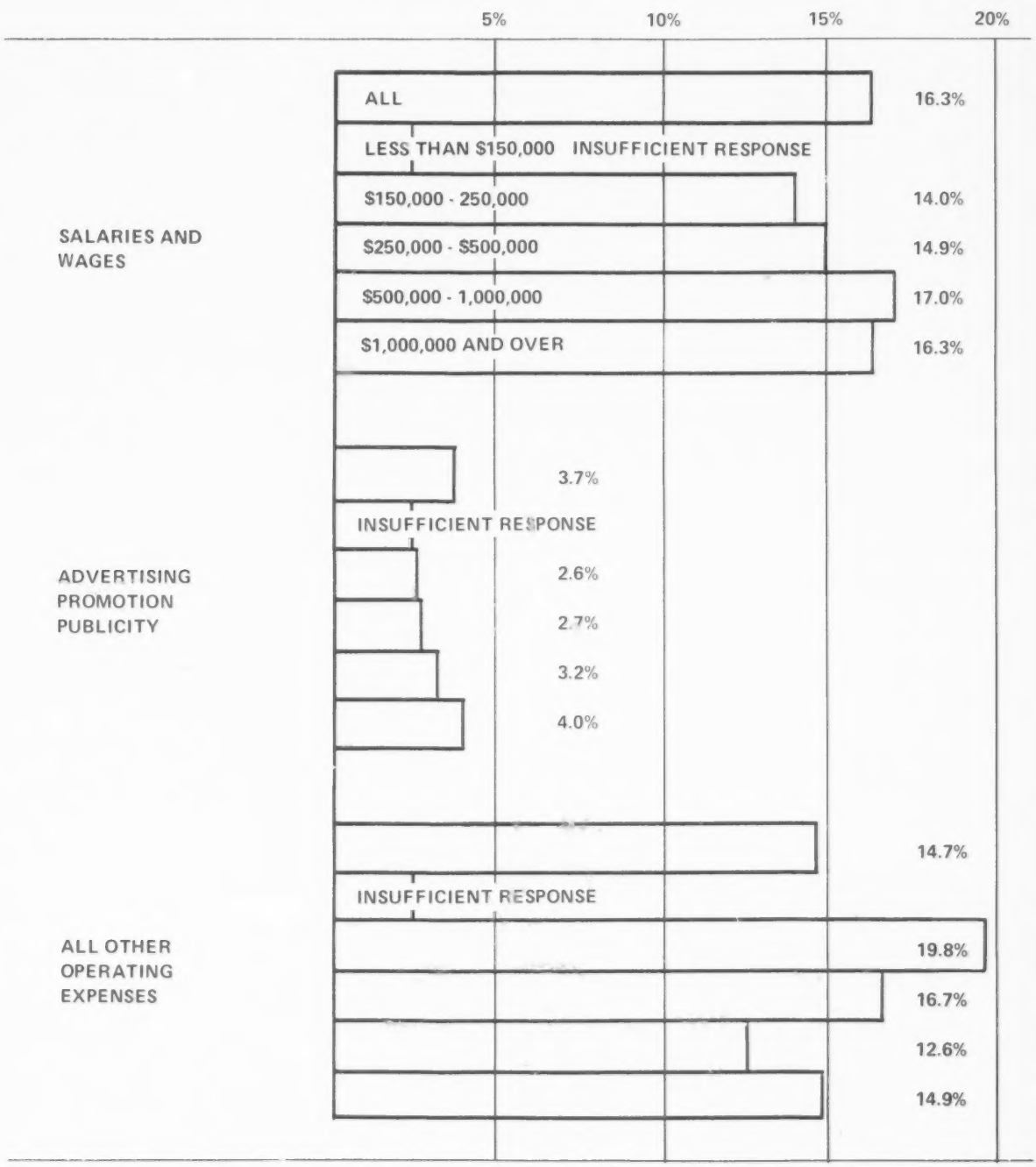
OPERATING RATIO ANALYSIS

AVERAGE — 1975-1979

	1979	1978	1977	1976	1975
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	61.3	60.6	62.1	64.5	64.4
Gross profit	38.7	39.4	37.9	35.5	35.6
Operating expenses					
Salaries and wages	16.3	16.8	17.1	16.3	15.8
Payroll taxes	1.2	1.3	1.2	.9	1.0
Licenses and other taxes except income taxes	.5	.7	.7	.4	.5
Advertising, promotion and publicity	3.7	4.0	3.5	3.1	2.1
Professional Services	.4	.5	.5	.4	.4
Rent	2.6	3.1	4.2	3.4	3.0
Repairs and Maintenance	.5	.3	.5	.5	.3
Light, heat and water	1.6	.7	.7	.6	.7
Auto and delivery expense	.4	.3	.4	.3	.3
Depreciation	1.0	1.0	1.5	.8	.8
Store and office supplies	1.0	.9	1.1	.7	.8
General postage	.1	.1	.1	.1	.1
Telephone and telegraph	.4	.4	.4	.6	.4
Travel and entertainment	.6	.5	.5	.6	.4
Dues and subscriptions	.2	.2	.2	.1	.1
Donations	.1	-	.1	.1	-
Insurance	1.3	1.2	1.1	.9	.8
Collection expense	.1	.2	.2	.2	.1
Other operating expenses	2.7	2.9	1.3	1.1	2.0
Total operating expenses	34.7	35.1	35.3	31.1	29.6
Operating profit	4.0	4.3	2.6	4.4	6.0
Other income	1.1	.9	.9	.4	.8
	5.1	5.2	3.5	4.8	6.8
Other expense	1.8	.9	1.1	1.1	1.8
INCOME BEFORE TAXES	3.3%	4.3%	2.4%	3.7%	5.0%

BY SALES VOLUME GROUP

SELECTED EXPENSES FOR 1979



OPERATING RATIO ANALYSIS

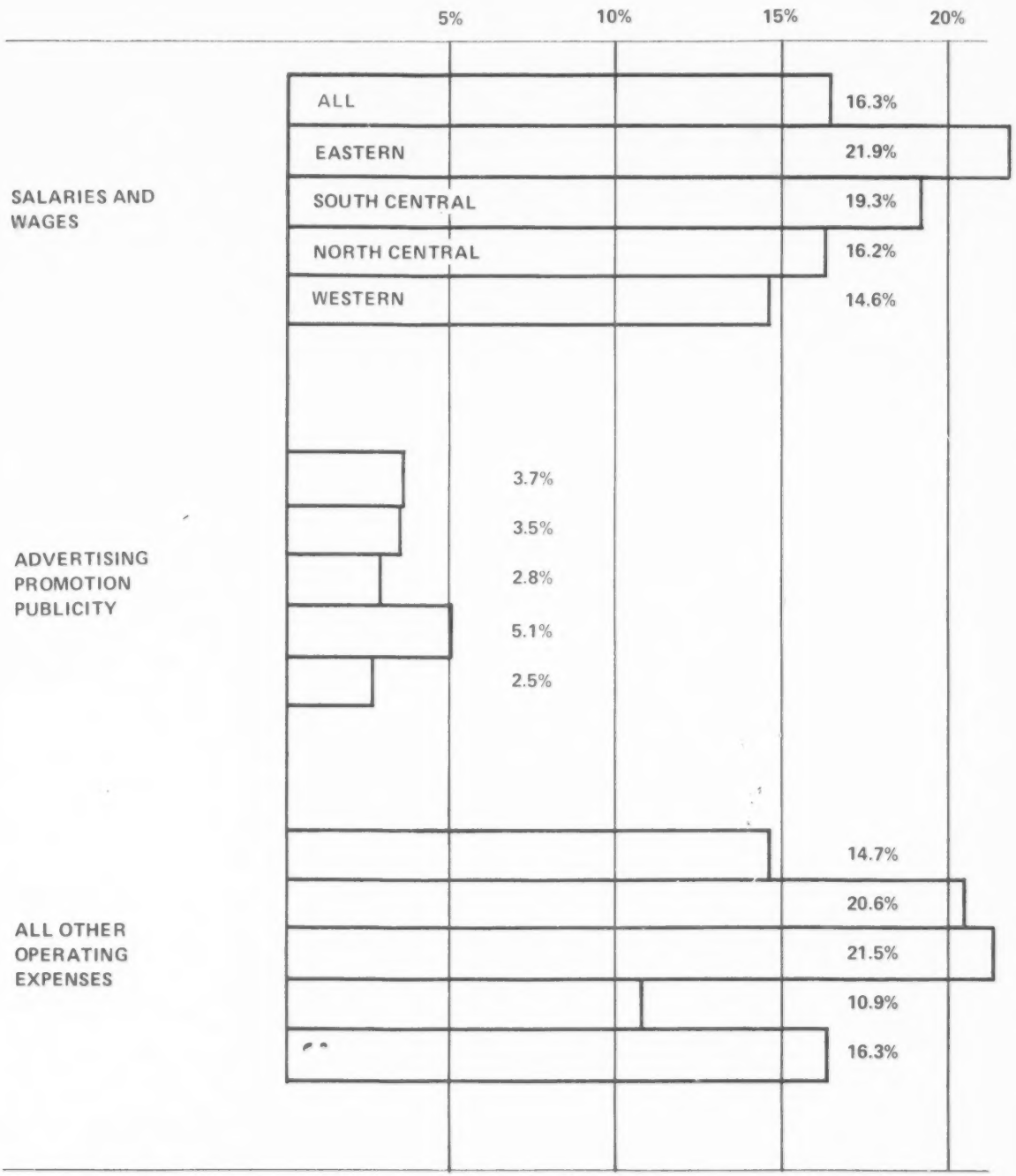
BY SALES VOLUME GROUPS — 1979

OVERVIEW	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Net Sales	100.0%	Insufficient Response	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	61.3		60.2	61.8	61.6	61.3
Gross Profit	38.7		39.8	38.2	38.4	38.7
Total Operating Expenses	34.7		36.4	34.3	32.8	35.2
Operating Profit	4.0		3.4	3.9	5.6	3.5
Other income	1.1		3.5	.1	1.1	1.1
	5.1		6.9	4.0	6.7	4.6
Other expense	1.8		.6	1.3	2.1	1.8
INCOME BEFORE TAXES	3.3%		6.3%	2.7%	4.6%	2.8%

DETAIL	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Salaries and wages	16.3%	Insufficient Response	14.0%	14.9%	17.0%	16.3%
Payroll taxes	1.2		1.7	1.3	1.2	1.2
Licenses and other taxes, except income taxes	.5		1.2	1.7	.8	.3
Advertising, promotion and publicity	3.7		2.6	2.7	3.2	4.0
Professional services	.4		.2	.3	.4	.5
Rent	2.6		5.8	2.7	2.5	2.5
Repairs and maintenance	.5		.3	.6	.4	.5
Light, heat and water	1.6		.6	1.0	.6	1.9
Auto and delivery expense	.4		.7	.3	.4	.4
Depreciation	1.0		2.1	2.1	1.2	.8
Store and office supplies	1.0		1.5	1.1	.7	1.0
General postage	.1		.3	.2	.1	-
Telephone and telegraph	.4		.8	.3	.5	.3
Travel and entertainment	.6		1.7	1.0	.9	.5
Dues and subscriptions	.2		.2	.1	.2	.2
Donations	.1		-	-	.1	.2
Insurance	1.3		1.2	1.4	1.3	1.3
Collection expense	.1		-	-	.1	.1
Other operating expenses	2.7		1.5	2.6	1.2	3.2
Total Operating Expenses	34.7%		36.4%	34.3%	32.8%	35.2%

BY GEOGRAPHIC LOCATION GROUPS

SELECTED EXPENSES FOR 1979



OPERATING RATIO ANALYSIS

BY GEOGRAPHIC LOCATION GROUPS — 1979

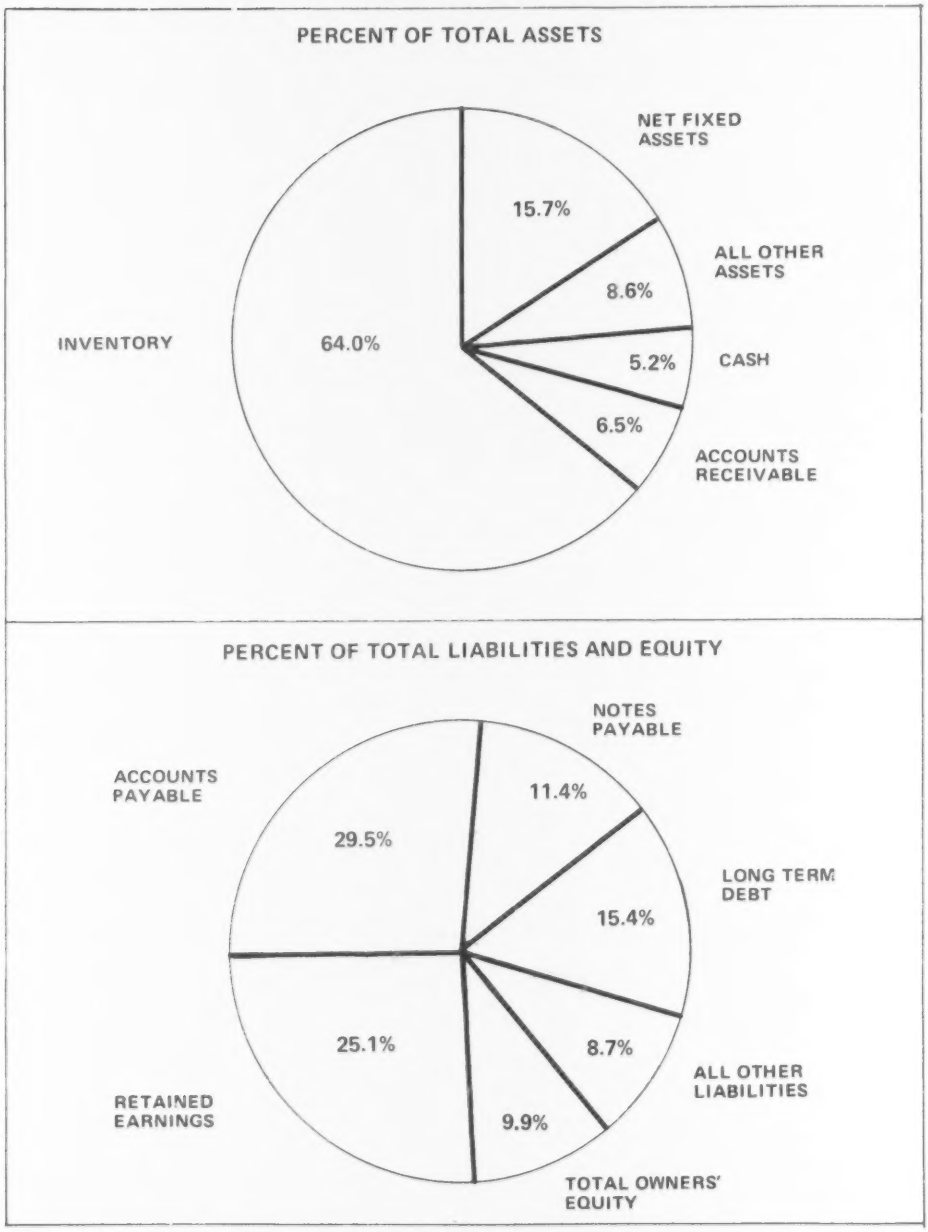
OVERVIEW	Composite	Eastern	South Central	North Central	Western
Net Sales	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	61.3	52.3	54.9	63.7	62.0
Gross Profit	38.7	47.7	45.1	36.3	38.0
Total Operating Expenses	34.7	46.0	43.6	32.2	33.4
Operating Profit	4.0	1.7	1.5	4.1	4.6
Other income	1.1	.3	.1	.6	2.1
	5.1	2.0	1.6	4.7	6.7
Other expense	1.8	1.3	.4	1.4	2.5
INCOME BEFORE TAXES	3.3%	.7%	1.2%	3.3%	4.2%

DETAIL	Composite	Eastern	South Central	North Central	Western
Operating expenses					
Salaries and wages	16.3%	21.9%	19.3%	16.2%	14.6%
Payroll taxes	1.2	2.2	1.2	1.2	1.0
Licenses and other taxes, except income taxes	.5	.2	1.6	.4	.5
Advertising, promotion and publicity	3.7	3.5	2.8	5.1	2.5
Professional services	.4	.8	.5	.2	.6
Rent	2.6	3.0	4.3	2.6	2.2
Repairs and maintenance	.5	.3	.7	.4	.5
Light, heat and water	1.6	.7	1.1	.8	2.7
Auto and delivery expense	.4	.3	.4	.3	.5
Depreciation	1.0	.6	2.1	.8	1.2
Store and office supplies	1.0	.8	.9	.9	1.1
General postage	.1	-	.1	.1	-
Telephone and telegraph	.4	.7	.5	.4	.2
Travel and entertainment	.6	.4	1.2	.6	.7
Dues and subscriptions	.2	.2	.1	.1	.2
Donations	.1	-	-	.1	.3
Insurance	1.3	2.8	1.2	1.1	1.3
Collection expense	.1	.1	.5	-	-
Other operating expenses	2.7	7.5	5.1	.9	3.3
Total Operating Expenses	34.7%	46.0%	43.6%	32.2%	33.4%

Composite

Results for ski retailers are essentially the same as for last year. Current assets were maintained at the former high level, as were fixed assets.

Current liabilities were up slightly, as was long-term debt. Total owners' equity was slightly decreased.



BALANCE SHEET RATIO ANALYSIS

BY SALES VOLUME GROUPS — 1979

ASSETS	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
CURRENT ASSETS						
Cash	5.2%		5.2%	3.7%	6.9%	4.7%
Accounts receivable	6.5		4.2	3.9	7.1	6.6
Inventory	64.0		60.7	68.5	59.1	65.2
Prepaid expenses	1.4		.6	.8	.6	1.8
Other current assets	2.6		2.8	-	.2	3.7
Total current assets	79.7		73.5	76.9	73.9	82.0
FIXED ASSETS						
Fixtures and Equipment	11.2		14.2	12.5	8.2	11.9
Autos and trucks	2.8		6.5	1.8	7.6	1.2
Leasehold improvements	6.1		3.2	2.0	3.5	7.4
Buildings	5.5		4.8	14.8	11.1	3.0
Land	1.2		-	-	2.2	1.0
Less acc. depr.	11.1		9.3	11.9	10.0	11.3
Net fixed assets	15.7		19.4	19.2	22.6	13.2
Other assets	4.6		7.1	3.9	3.5	4.8
TOTAL ASSETS	100.0%		100.0%	100.0%	100.0%	100.0%

Insufficient Response

LIABILITIES AND OWNERS' EQUITY	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
CURRENT LIABILITIES						
Accounts payable	29.5%		29.0%	21.9%	20.6%	32.8%
Sales tax payable	1.7		.8	1.0	.6	2.2
Notes payable including current portion of long-term debt	11.4		11.8	6.7	13.5	11.1
Accrued expenses/wages	3.8		1.1	.5	2.3	4.7
Taxes	1.3		1.7	.8	1.7	1.1
Other accr. liabilities	1.9		.3	.8	1.7	2.1
Total Current Liabilities	49.6		44.7	31.7	40.4	54.0
LONG-TERM DEBT						
Mortgages	4.2		4.5	-	7.5	3.5
Long-term loans	13.0		25.2	19.5	15.6	11.2
Less current portion of long-term loans	1.8		-	.1	.6	2.3
Total Liabilities	65.0		74.4	51.1	62.9	66.4
EQUITY						
Capital stock or owners' equity	7.4		11.6	33.4	8.1	4.5
Paid-in capital	2.5		2.2	2.8	2.2	2.6
Retained earnings	25.1		11.8	12.7	26.8	26.5
Total Equity	35.0		25.6	48.9	37.1	33.6
TOTAL LIABILITIES AND EQUITY	100.0%		100.0%	100.0%	100.0%	100.0%

Insufficient Response

BALANCE SHEET RATIO ANALYSIS

BY GEOGRAPHIC LOCATION GROUPS —1979

ASSETS	Composite	Eastern	South Central	North Central	Western
CURRENT ASSETS					
Cash	5.2%	5.6%	4.4%	4.2%	6.0%
Accounts receivable	6.5	11.9	6.4	5.7	6.2
Inventory	64.0	65.2	67.7	72.8	56.0
Prepaid expenses	1.4	.6	.8	1.3	1.7
Other current assets	2.6	6.5	1.3	.6	4.0
Total current assets	79.7	89.8	80.6	84.6	73.9
FIXED ASSETS					
Fixtures and Equipment	11.2	13.2	19.2	10.3	10.6
Autos and trucks	2.8	.9	3.4	.8	4.6
Leasehold improvements	6.1	3.5	9.7	5.4	6.6
Buildings	5.5	5.1	8.5	.3	9.6
Land	1.2	1.2	-	-	2.3
Less acc. depr.	11.1	14.2	22.8	7.7	11.7
Net fixed assets	15.7	9.7	18.0	9.1	22.0
Other assets	4.6	.5	1.4	6.3	4.1
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%

LIABILITIES AND OWNERS' EQUITY	Composite	Eastern	South Central	North Central	Western
CURRENT LIABILITIES					
Accounts payable	29.5%	48.3%	15.5%	31.0%	27.0%
Sales tax payable	1.7	.4	.6	.5	3.1
Notes payable including current portion of long-term debt	11.4	12.0	13.3	19.1	4.6
Accrued expenses/wages	3.8	2.8	3.8	3.7	4.0
Taxes	1.3	1.4	.3	1.0	1.6
Other accr. liabilities	1.9	1.2	.4	1.5	2.5
Total Current Liabilities	49.6	66.1	33.9	56.8	42.8
LONG-TERM DEBT					
Mortgages	4.2	7.2	-	.3	7.5
Long-term loans	13.0	11.1	34.8	10.7	12.5
Less current portion of long-term loans	1.8	-	5.8	2.6	.8
Total Liabilities	65.0	84.4	62.9	65.2	62.0
EQUITY					
Capital stock or owners' equity	7.4	3.0	2.7	4.9	10.7
Paid-in capital	2.5	.3	3.6	2.1	3.1
Retained earnings	25.1	12.3	30.8	27.8	24.2
Total Equity	35.0	15.6	37.1	34.8	38.0
TOTAL LIABILITIES AND EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%

All the ratios have been calculated using pretax financial information. In the glossary on page 126 are given definitions of each ratio, the calculations used, and the standard ranges for each ratio of related retail industries from Troy Almanac of Business and Industrial Financial Ratios, 1979 edition.

Return on Common Equity

(Formerly called "Net Sales to Tangible Net Worth.") This ratio is holding fairly steady on average, and is the highest for all retailers. A good measure of profitability, the ratio indicates that ski retailers continue to generate high sales through the use of capital.

1979	1978	1977	1976	1975
5.41	5.39	4.68	6.25	4.34

Return on Investment

(Formerly called "Net Profits to Tangible Net Worth.") The primary measure of profitability, this ratio is well above the average for all retailers, indicating that ski retailers are quite profitable. This conclusion is supported by the high average yearly sales.

1979	1978	1977	1976	1975
26.1%	32.3%	25.2%	33.4%	27.7%

Return on Working Capital

(Formerly called "Net Profit to Net Working Capital.") Return on working capital was sharply down in 1979, but still above the average for all retailers. Net income was below average and below last year's figure, which accounts for most of this decrease.

1979	1978	1977	1976	1975
29.7%	40.9%	29.2%	39.4%	26.7%

Current Ratio

(Formerly called "Current Assets to Current Liabilities.") The primary measure of liquidity, the current ratio for ski retailers is below average and well below the desired 2.00. This range has been maintained for this group for the past four years.

1979	1978	1977	1976	1975
1.60	1.62	1.53	1.60	1.98

Ending Inventory to Working Capital

(Formerly called, "Ending Inventory to Net Working Capital.") Ski retailers have the highest amount invested in inventory of all retail groups. This is confirmed by the sales and inventory analysis. A large amount of working capital invested in inventory would cause the low liquidity that this group demonstrates.

1979	1978	1977	1976	1975
166.5%	165.0%	140.1%	214.3%	118.9%

Working Capital Turnover

(Formerly called "Net Sales to Net Working Capital.") Working capital, also called operating funds, are being very well utilized by this group. They have the highest ratio of all retailers and are well above the average.

1979	1978	1977	1976	1975
5.58	5.18	6.01	5.83	3.95

Current Debt to Equity

(Formerly called "Current Liabilities to Tangible Net Worth.") This ratio is the primary measure of solvency for sporting goods retailers. The ratio should be below 100 to indicate that owners' equity is sufficient to cover debt. As reported, ski shops are highly levered, and have maintained high debt for the past four years.

1979	1978	1977	1976	1975
114.2%	114.1%	135.1%	140.4%	84.4%

FIREARMS RETAILERS SURVEY RESULTS

HIGHLIGHTS FOR 1979

Participants — Repondents reporting a firearms specialty this year represented 8% of the total, down from 10% of last year. This group generated 8% of total sales, significantly down from the 16% of last year.

Sales — Average sales for 1979 were $844,505, a significant decrease from last year, when the average retailers reported sales of $1,451,009. Sales per square foot, however, were the highest of all retailers.

Inventories — Inventory level increases were the lowest of the past three years, and inventory turnover was decreased slightly from last year.

Markup — Composite markup was 29.2% on sales and 41.3% on cost of goods sold, the lowest markup percentages of all retailers.

Income Before Taxes — Income before taxes was 3.9% of sales, down from the 5.3% of last year, continuing the steady downward trend of the past four years.

Profitability — Profitability for firearms retailers is about average to slightly below. This group is fairly liquid and sufficiently solvent.

Definition

Participants in this survey were exclusively retailers who are members of the National Sporting Goods Association. Retailers included in the Firearms Retailers specialty group are those retailers reporting 25% or more of their 1979 sales in firearms.

Overview

Firearms retailers represent 8% of the total respondents and also 8% of the total sales from all respondents. This is a significant decrease from last year, when 10% reported a firearms specialty and accounted for 16% of all sales.

The average firearms retailer in 1979 had sales of $844,505 and employed 5 salespeople, which is a significant decrease from 1978 when the average retailer reported sales of $1,451,009 and 7 salespeople.

Most firearms retailers are incorporated and operate a single store. Most sales are made to individuals, although a significantly greater percent of sales were made to teams this year than last year.

Specific Results

The greatest percent of sales came from the over $1,000,000 group, although 2 other groups represented a greater number of responses. This is consistent with 1978, when the majority of sales also came from the largest retailers.

There was a large mixture of sporting goods with non-sporting goods in this specialty, indicating a significant number of firearms retailers sell non-sporting goods.

A small majority of firearms retailers have shops 2,000 to 3,000 square feet large. This category also represents a large proportion of the sales, although the majority of sales are generated by the largest stores.

The majority of stores reported under 5 salespeople but the larger stores accounted for a larger percent of the sales.

CHARACTERISTICS OF PARTICIPANTS

		Percent of total Responses	Percent of total Sales
Sales Volume Groups	Less than $150,000	32	3
	$150,000 to $250,000	0	0
	$250,000 to $500,000	9	5
	$500,000 to $1,000,000	32	27
	Over $1,000,000	27	65
Customer Type Groups	Primarily Individuals	91	75
	Primarily Teams	9	25
Geographic Location Groups	Eastern	45	40
	South Central	14	11
	North Central	32	18
	Western	9	31
Product Line Groups	All Sporting Goods	68	63
	Some Nonsporting Goods	32	37
Legal Form Of Organization	Corporation	73	91
	Partnership	0	0
	Proprietorship	27	9
Number of Stores	1	81	56
	2	14	40
	3	5	4
	4	0	0
	5 or more	0	0
Square Feet of Selling Space	Less than 1,000	18	4
	1,000 to 2,000	9	5
	2,000 to 3,000	27	33
	3,000 to 4,000	14	8
	4,000 to 5,000	0	0
	5,000 to 6,000	0	0
	Over 6,000	18	43
	Not specified	14	7
Number of Sales People	1-5	59	27
	6-10	32	43
	11-15	0	0
	16-20	9	30
	21-30	0	0
	31 or more	0	0
	TOTAL	100%	100%

Composite

Firearms retailers reported the highest sales per square foot of all specialty shops.

Sales volume increased for firearms retailers over that of the past two years. Inventory increased the lowest amount for the past three years for firearms stores. Markup percent is the lowest for all retailers. Inventory turnover represented a decrease for firearms retailers. These factors produced a high sales per square foot.

Sales Volume Groups

The largest retailers had an average sales increase, average markup and high turnover ratio to produce the highest sales per square foot.

Geographic Location Groups

The South Central group had a very low increase in sales volume, decreased inventory, low markup percent, and low inventory turnover, producing the lowest sales per square foot.

The Western group had a moderate increase in sales volume, an almost average markup, but an above average increase in inventory to support a very high inventory turnover, thus achieving an extremely high sales per square foot.

COMPOSITE	1979	1978	1977	1976
Percent increase (decrease) in sales volume over previous year	15.6	13.6	7.3	18.2
Percent increase (decrease) in inventory at year-end	11.6	12.3	13.6	18.4
Realized markup percent on cost of goods sold	41.3	35.5	47.8	46.9
Realized markup percent on sales	29.2	26.2	32.3	31.9
Inventory turnover ratio	2.3	3.0	2.3	2.3
Sales per square foot of selling space	$194	$125	$116	$146

SALES AND INVENTORY ANALYSIS

FOR 1979

GEOGRAPHIC LOCATION GROUPS	Composite	Eastern	South Central	North Central	Western
Percent increase (decrease) in sales volume over previous year	15.6	17.6	.6	31.1	12.2
Percent increase (decrease) in inventory at year-end	11.6	13.9	(2.2)	16.4	12.5
Realized mark-up percent on cost of goods sold	41.3	44.3	25.2	42.9	42.7
Realized mark-up percent on sales	29.2	30.7	20.1	30.0	29.9
Inventory turnover ratio	2.3	2.4	1.9	1.6	3.4
Sales per square foot of selling space	$194	$155	$104	$160	$576

SALES VOLUME GROUPS	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Percent increase (decrease) in sales volume over previous year	(5.2)	Insufficient Response	8.8	23.1	14.0
Percent increase (decrease) in inventory at year-end	43.7		3.9	15.4	8.4
Realized mark-up percent on cost of goods sold	44.7		47.2	38.8	41.7
Realized mark-up percent on sales	30.9		32.1	28.0	29.4
Inventory turnover ratio	1.3		1.3	2.1	2.7
Sales per square foot of selling space	$ 59		$119	$211	$215

Composite

The largest expenses for firearms retailers were salaries and wages, advertising, rent and insurance. Firearms retailers were the only group that increased all expenses, and they were the only group, specifically, that increased salaries and wages.

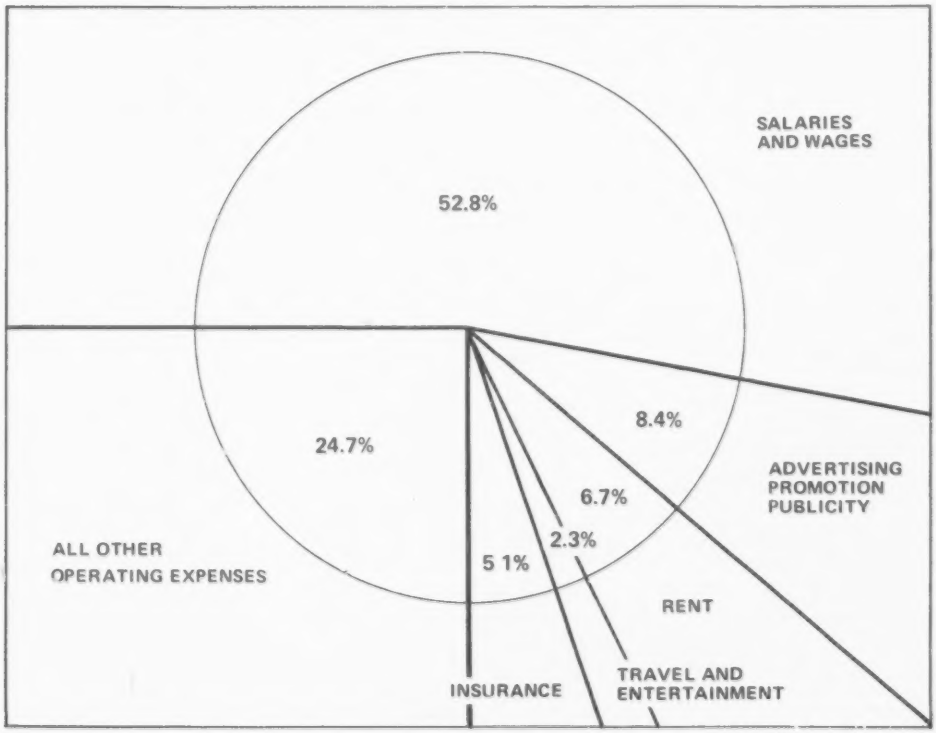
Geographic Location Groups

The Eastern group had the highest salaries and rent and the lowest advertising and insurance. The South Central group had the lowest salaries and the highest advertising and insurance.

Sales Volume Groups

The smallest retailers had the highest rent, insurance and advertising and the lowest salaries proportionate to the other groups. The largest retailers had the highest salaries and the lowest advertising, rent and insurance.

RELATIONSHIP OF SELECTED EXPENSES TO TOTAL EXPENSES



COMPOSITE – 1979

OPERATING EXPENSE ANALYSIS

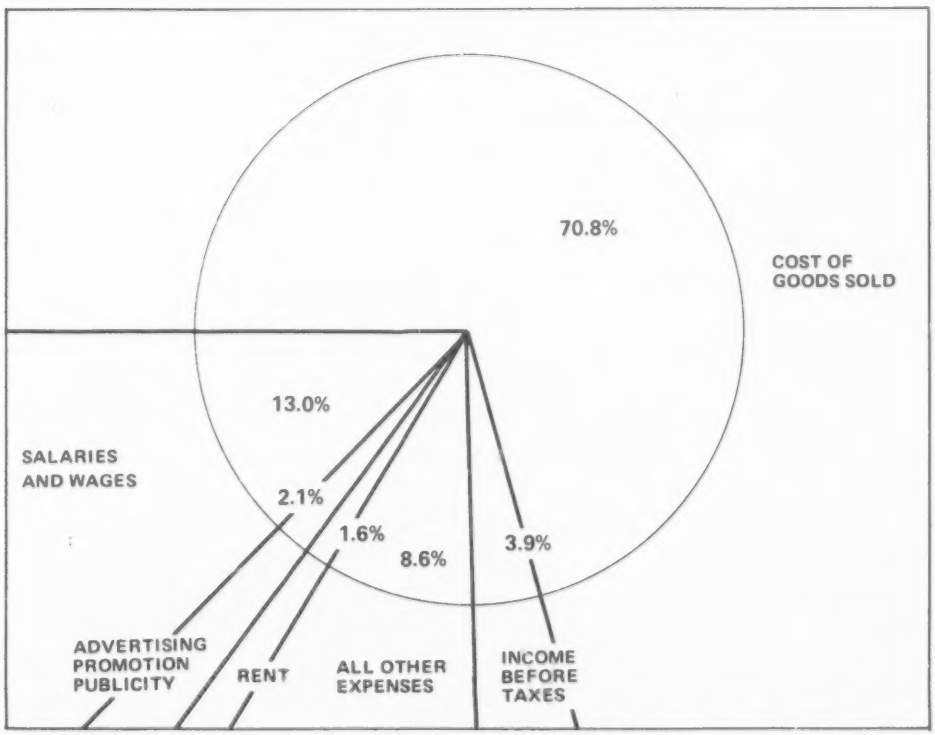
RELATIONSHIP OF INDIVIDUAL EXPENSES TO TOTAL EXPENSES —1979

GEOGRAPHIC LOCATION GROUPS	Composite	Eastern	South Central	North Central	Western
Salaries and wages	52.8%	51.8%	42.3%	45.5%	Insufficient Response
Payroll taxes	3.5	3.5	2.9	2.4	
Licenses and other taxes, except income taxes	2.1	1.8	2.1	3.5	
Advertising, promotion and publicity	8.4	5.4	18.9	12.2	
Professional services	1.2	1.4	1.4	1.5	
Rent	6.7	9.9	8.9	2.9	
Repairs and maintenance	1.2	1.5	1.4	1.5	
Light, heat and water	2.6	3.7	2.9	3.2	
Auto and delivery expense	1.4	1.7	1.4	3.0	
Depreciation	2.1	2.1	5.0	2.8	
Store and office supplies	2.0	1.7	1.3	3.8	
General postage	.5	.4	.3	1.0	
Telephone and telegraph	1.7	1.5	1.1	2.2	
Travel and entertainment	2.3	.9	1.8	3.1	
Dues and subscriptions	.5	.4	.3	1.4	
Donations	.2	.1	.3	.4	
Insurance	5.1	4.2	6.0	5.0	
Collection expense	-	-	-	-	
Other operating expenses	5.7	8.0	1.7	4.6	

SALES VOLUME GROUPS	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Salaries and wages	24.6%	Insufficient Response	Insufficient Response	49.4%	55.8%
Payroll taxes	.7			3.2	3.8
Licenses and other taxes, except income taxes	.8			1.6	1.8
Advertising, promotion and publicity	14.6			9.4	7.8
Professional services	1.7			1.8	1.0
Rent	13.6			7.7	6.3
Repairs and maintenance	1.6			1.5	1.1
Light, heat and water	6.3			3.7	2.0
Auto and delivery expense	3.4			2.1	1.0
Depreciation	5.2			1.7	1.8
Store and office supplies	4.3			3.4	1.4
General postage	4.2			.4	.3
Telephone and telegraph	3.0			1.9	1.5
Travel and entertainment	1.0			2.4	2.4
Dues and subscriptions	1.6			.8	.3
Donations	.3			.4	.1
Insurance	5.4			5.3	5.0
Collection expense	.2			-	-
Other operating expenses	7.5			3.3	6.6
Total Operating Expenses	100.0%	100.0%	100.0%	100.0%	100.0%

Composite	Firearms retailers continue to demonstrate a steady downward trend in net income. This group was able to lower cost of goods sold, but operating expenses rose appreciably over last year, resulting in a lower net income.
Sales Volume Groups	The smaller retailers reported a higher net income, an unusual result. This is due to lower cost of goods sold and lower operating expenses (due to sharply lower salaries) than larger retailers. Also, the smaller retailers had lower interest charges, reflected in lower "other expense."
Geographic Location Groups	The South Central group reported the lowest net income. This group had substantially higher cost of goods sold.

RELATIONSHIP OF SELECTED EXPENSES TO SALES



COMPOSITE – 1979

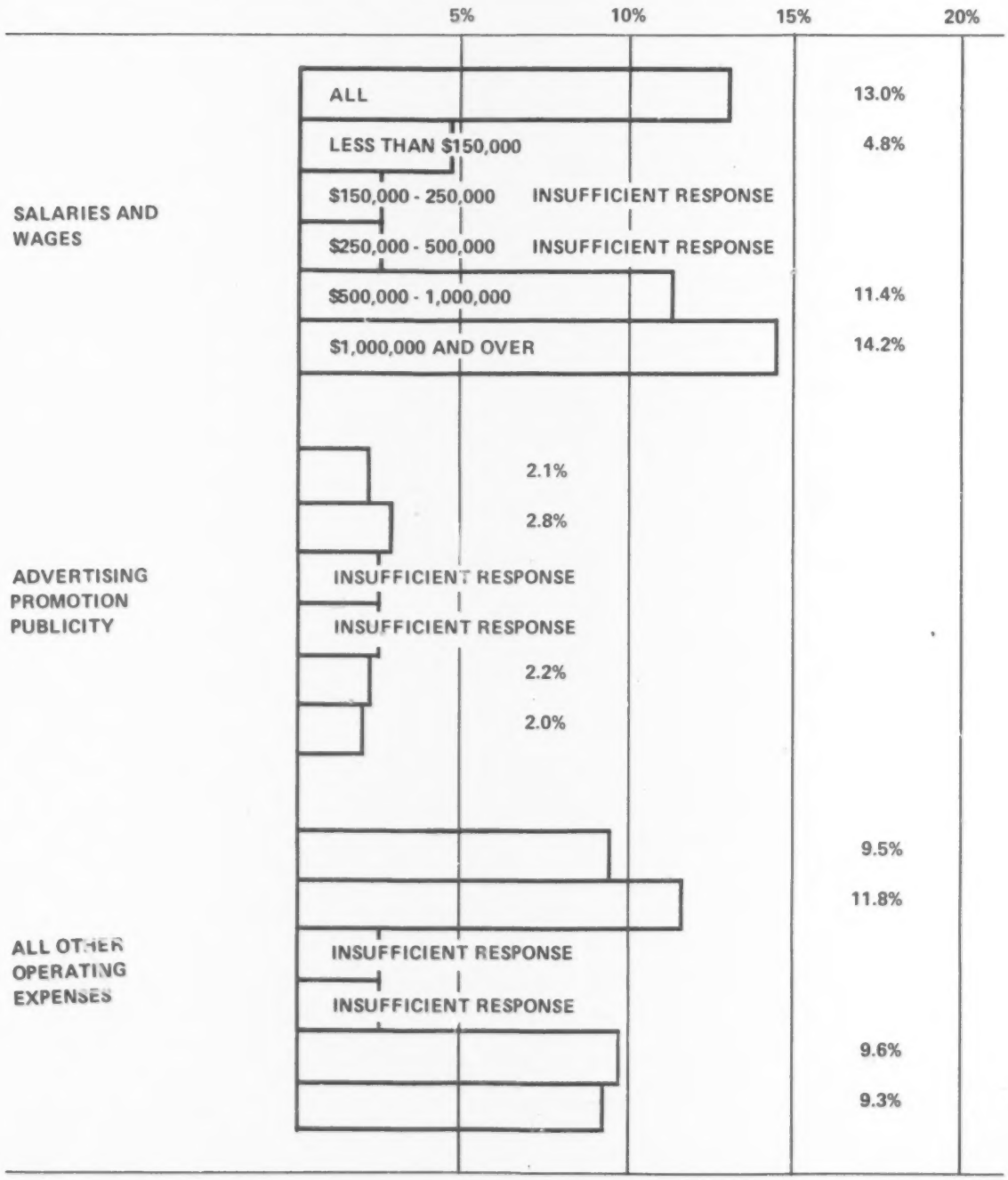
OPERATING RATIO ANALYSIS

AVERAGE — 1976-1979

	1979	1978	1977	1976
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	70.8	73.8	67.7	68.1
Gross profit	29.2	26.2	32.3	31.9
Operating expenses				
Salaries and wages	13.0	10.0	14.0	13.0
Payroll taxes	.9	.8	1.1	1.2
Licenses and other taxes except income taxes	.5	.5	.7	.8
Advertising, promotion and publicity	2.1	1.3	2.0	1.8
Professional Services	.3	.2	.2	.2
Rent	1.6	.8	1.7	1.7
Repairs and Maintenance	.3	.3	.3	.4
Light, heat and water	.6	.5	.8	.5
Auto and delivery expense	.3	.2	.3	.4
Depreciation	.5	.6	.3	.5
Store and office supplies	.5	.5	.6	.6
General postage	.1	.2	.2	.1
Telephone and telegraph	.4	1.2	.5	.5
Travel and entertainment	.6	.4	.7	.7
Dues and subscriptions	.1	.1	.1	.1
Donations	-	-	-	-
Insurance	1.3	.9	1.3	1.1
Collection expense	-	.1	-	.1
Other operating expenses	1.5	.8	.9	.6
Total operating expenses	24.6	19.4	25.7	24.3
Operating profit	4.6	6.8	6.6	7.6
Other income	1.0	.5	.2	.6
	5.6	7.3	6.8	8.2
Other expense	1.7	2.0	1.0	1.9
INCOME BEFORE TAXES	3.9%	5.3%	5.8%	6.3%

BY SALES VOLUME GROUPS

SELECTED EXPENSES FOR 1979



OPERATING RATIO ANALYSIS

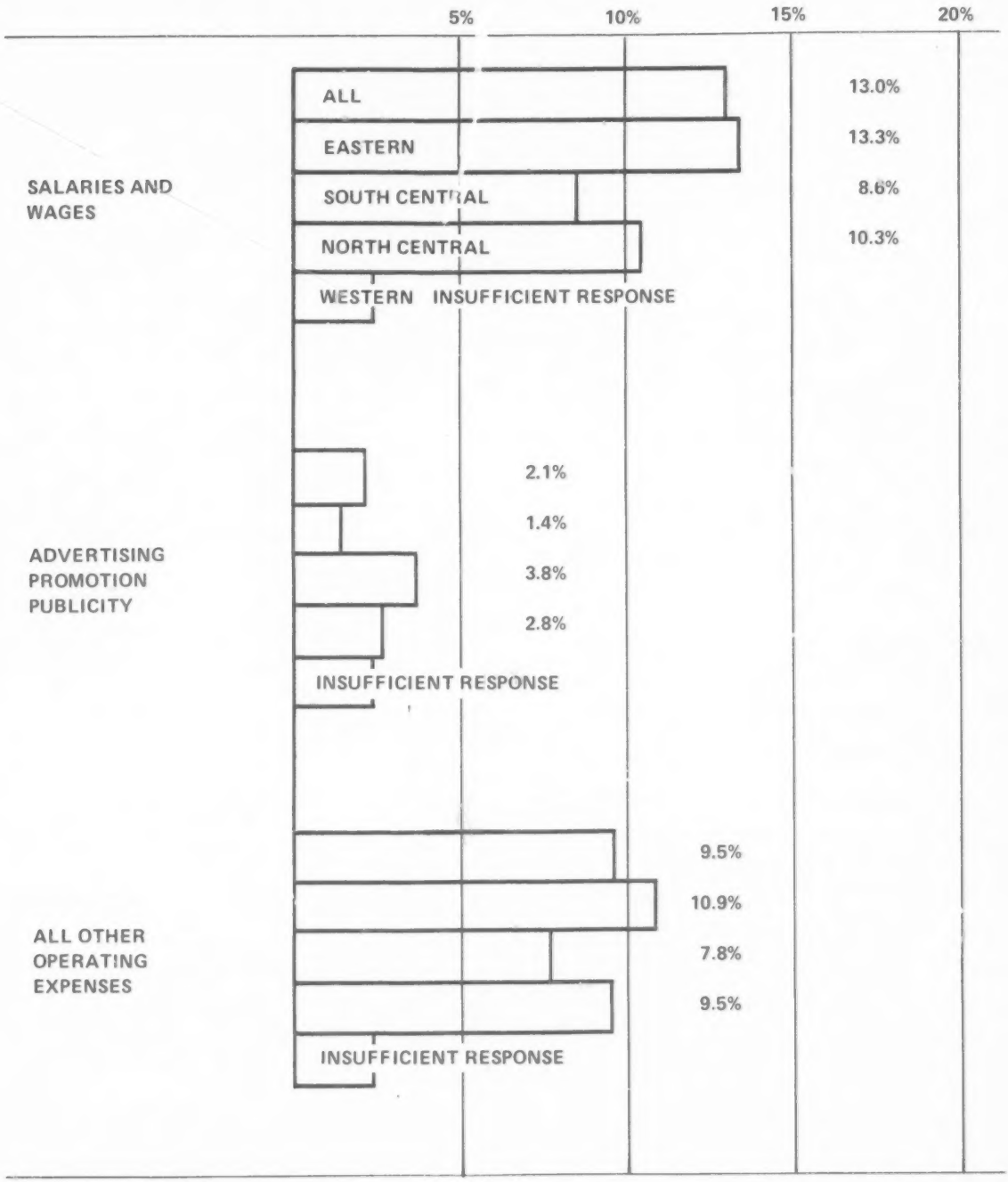
BY SALES VOLUME GROUPS — 1979

OVERVIEW	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Net Sales	100.0%	100.0%	Insufficient Response	Insufficient Response	100.0%	100.0%
Cost of Goods Sold	70.8	69.1			72.1	70.6
Gross Profit	29.2	30.9			27.9	29.4
Total Operating Expenses	24.6	19.4			23.2	25.5
Operating Profit	4.6	11.5			4.7	3.9
Other income	1.0	.2			.7	1.3
	5.6	11.7			5.4	5.2
Other expense	1.7	.8			2.6	1.5
INCOME BEFORE TAXES	3.9%	10.9%			2.8%	3.7%

DETAIL	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Salaries and wages	13.0%	4.8%	Insufficient Response	Insufficient Response	11.4%	14.2%
Payroll taxes	.9	.1			.7	1.0
Licenses and other taxes, except income taxes	.5	.2			.4	.5
Advertising, promotion and publicity	2.1	2.8			2.2	2.0
Professional services	.3	.3			.4	.3
Rent	1.6	2.6			1.8	1.6
Repairs and maintenance	.3	.3			.4	.3
Light, heat and water	.6	1.2			.9	.5
Auto and delivery expense	.3	.7			.5	.3
Depreciation	.5	1.0			.4	.5
Store and office supplies	.5	.8			.8	.4
General postage	.1	.8			.1	.1
Telephone and telegraph	.4	.6			.4	.4
Travel and entertainment	.6	.2			.6	.6
Dues and subscriptions	.1	.3			.2	.1
Donations	-	.1			.1	-
Insurance	1.3	1.1			1.2	1.3
Collection expense	-	-			-	-
Other operating expenses	1.5	1.5			.7	1.4
Total Operating Expenses	24.6%	19.4%			23.2%	25.5%

BY GEOGRAPHIC LOCATION GROUPS

SELECTED EXPENSES FOR 1979



OPERATING RATIO ANALYSIS

BY GEOGRAPHIC LOCATION GROUPS — 1979

OVERVIEW	Composite	Eastern	South Central	North Central	Western
Net Sales	100.0%	100.0%	100.0%	100.0%	Insufficient Response
Cost of Goods Sold	70.8	69.3	79.9	70.0	
Gross Profit	29.2	30.7	20.1	30.0	
Total Operating Expenses	24.6	25.6	20.2	22.6	
Operating Profit	4.6	5.1	(.1)	7.4	
Other income	1.0	.6	5.1	.8	
	5.6	5.7	5.0	8.2	
Other expense	1.7	1.3	3.2	2.6	
INCOME BEFORE TAXES	3.9%	4.4%	1.8%	5.6%	

DETAIL	Composite	Eastern	South Central	North Central	Western
Operating expenses					Insufficient Response
Salaries and wages	13.0%	13.3%	8.6%	10.3%	
Payroll taxes	.9	.9	.6	.5	
Licenses and other taxes, except income taxes	.5	.5	.4	.8	
Advertising, promotion and publicity	2.1	1.4	3.8	2.8	
Professional services	.3	.4	.3	.3	
Rent	1.6	2.5	1.8	.7	
Repairs and maintenance	.3	.4	.3	.3	
Light, heat and water	.6	.9	.6	.7	
Auto and delivery expense	.3	.4	.3	.7	
Depreciation	.5	.5	1.0	.6	
Store and office supplies	.5	.4	.3	.8	
General postage	.1	.1	.1	.2	
Telephone and telegraph	.4	.4	.2	.5	
Travel and entertainment	.6	.2	.4	.7	
Dues and subscriptions	.1	.1	.1	.3	
Donations	-	-	.1	.1	
Insurance	1.3	1.1	1.2	1.1	
Collection expense	-	-	-	-	
Other operating expenses	1.5	2.1	.1	1.2	
Total Operating Expenses	24.6%	25.6%	20.2%	22.6%	

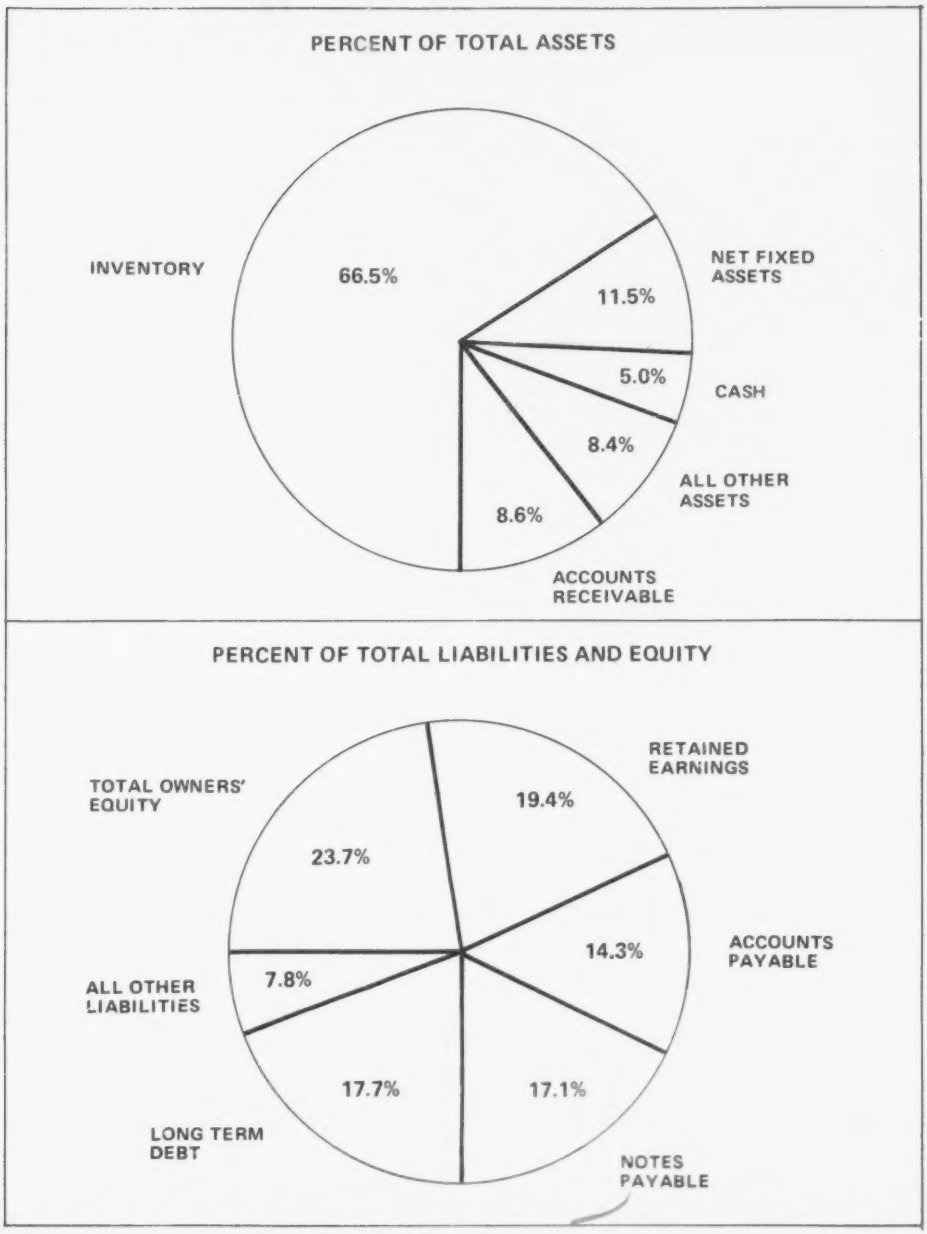
BALANCE SHEET RATIO ANALYSIS

FOR 1979

Composite

Total current assets were up slightly from last year, due to increased cash and inventories. Receivables were reduced from last year. Fixed assets were down somewhat.

Current liabilities were down, primarily because of reduced payables. Long-term debt was increased, while total equity was down.



BALANCE SHEET RATIO ANALYSIS

BY SALES VOLUME GROUPS — 1979

ASSETS	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
CURRENT ASSETS						
Cash	5.0%	6.3%			5.2%	5.3%
Accounts receivable	8.6	2.5			4.9	13.1
Inventory	66.5	52.0			62.4	71.3
Prepaid expenses	.8	2.8			.8	.6
Other current assets	3.3	2.6			8.6	.2
Total current assets	84.2	66.2			81.9	90.5
FIXED ASSETS						
Fixtures and Equipment	4.4	9.8			4.3	3.8
Autos and trucks	2.0	4.4			1.6	1.7
Leasehold improvements	3.0	.6			5.2	2.5
Buildings	5.1	15.3			6.6	-
Land	1.9	4.9			2.6	-
Less acc. depr.	4.9	4.2			6.0	3.9
Net fixed assets	11.5	30.8			14.3	4.1
Other assets	4.3	3.0			3.8	5.4
TOTAL ASSETS	100.0%	100.0%			100.0%	100.0%

Insufficient Response

Insufficient Response

LIABILITIES AND OWNERS' EQUITY	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
CURRENT LIABILITIES						
Accounts payable	14.3%	5.3%			9.0%	19.9%
Sales tax payable	.5	.2			.4	.6
Notes payable including current portion of long-term debt	17.1	9.2			24.1	16.0
Accrued expenses/wages	3.2	.2			.5	5.8
Taxes	2.1	.1			1.8	2.9
Other accr. liabilities	2.0	.2			5.1	.5
Total Current Liabilities	39.2	15.2			40.9	45.7
LONG-TERM DEBT						
Mortgages	2.8	10.0			-	-
Long-term loans	16.2	9.6			24.1	13.5
Less current portion of long-term loans	1.3	-			2.1	1.0
Total Liabilities	56.9	34.8			62.9	58.2
EQUITY						
Capital stock or owners' equity	18.6	35.1			23.4	7.9
Paid-in capital	5.1	16.4			1.5	6.6
Retained earnings	19.4	13.7			12.2	27.3
Total Equity	43.1	65.2			37.1	41.8
TOTAL LIABILITIES AND EQUITY	100.0%	100.0%			100.0%	100.0%

Insufficient Response

Insufficient Response

BALANCE SHEET RATIO ANALYSIS

BY GEOGRAPHIC LOCATION GROUPS — 1979

ASSETS	Composite	Eastern	South Central	North Central	Western
CURRENT ASSETS					Insufficient Response
Cash	5.0%	10.6%	4.0%	1.3%	
Accounts receivable	8.6	5.1	2.1	2.4	
Inventory	66.5	75.0	76.5	59.7	
Prepaid expenses	.8	1.7	.4	.4	
Other current assets	3.3	.3	1.0	10.5	
Total current assets	84.2	92.7	84.0	74.3	
FIXED ASSETS					
Fixtures and Equipment	4.4	5.3	4.7	3.5	
Autos and trucks	2.0	2.4	4.1	2.0	
Leasehold improvements	3.0	2.1	4.8	3.7	
Buildings	5.1	1.6	4.7	13.7	
Land	1.9	-	2.8	5.1	
Less acc. depr.	4.9	5.0	5.6	6.2	
Net fixed assets	11.5	6.4	15.5	21.8	
Other assets	4.3	.9	.5	3.9	
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	

LIABILITIES AND OWNERS' EQUITY	Composite	Eastern	South Central	North Central	Western
CURRENT LIABILITIES					Insufficient Response
Accounts payable	14.3%	15.4%	16.7%	4.6%	
Sales tax payable	.5	.7	.2	.3	
Notes payable including current portion of long-term debt	17.1	4.8	42.9	25.9	
Accrued expenses/wages	3.2	2.8	3.9	.3	
Taxes	2.1	2.8	.8	1.1	
Other accr. liabilities	2.0	1.2	-	4.7	
Total Current Liabilities	39.2	27.7	64.5	36.9	
LONG-TERM DEBT					
Mortgages	2.8	-	5.8	7.0	
Long-term loans	16.2	21.9	12.2	11.3	
Less current portion of long-term loans	1.3	1.5	-	.7	
Total Liabilities	56.9	48.1	82.5	54.5	
EQUITY					
Capital stock or owners' equity	18.6	11.7	8.1	37.6	
Paid-in capital	5.1	3.6	-	1.5	
Retained earnings	19.4	36.6	9.4	6.4	
Total Equity	43.1	51.9	17.5	45.5	
TOTAL LIABILITIES AND EQUITY	100.0%	100.0%	100.0%	100.0%	

All the ratios have been calculated using pretax financial information. In the glossary on page 126 are given definitions of each ratio, the calculations used, and the standard ranges for each ratio of related retail industries from Troy Almanac of Business and Industrial Financial Ratios, 1979 edition.

Return on Common Equity

(Formerly called "Net Sales to Tangible Net Worth.") Profitability of firearms retailers as measured by this ratio is just about average. This is consistent with the results of the other analyses of this group.

1979	1978	1977	1976
4.29	5.56	3.99	3.60

Return on Investment

(Formerly called "Net Profits to Tangible Net Worth.") The primary measure of profitability, this ratio is slightly below the average for all retailers and considerably decreased from last year. This is supported by the reduced sales of this year.

1979	1978	1977	1976
23.8%	35.7%	21.2%	26.9%

Return on Working Capital

(Formerly called "Net Profits to Net Working Capital.") This ratio is also decreased for the firearms group and represents the third measure of profitability. The results of this ratio confirm the results presented above.

1979	1978	1977	1976
23.4%	48.7%	16.3%	27.6%

Current Ratio

(Formerly called "Current Assets to Current Liabilities.") The primary measure of liquidity, the current ratio is up from last year, indicating that current liabilities decreased relative to current assets. The present position of firearms retailers is the most liquid of the past four years.

1979	1978	1977	1976
2.12	1.61	1.99	2.02

Ending Inventory to Working Capital

(Formerly called "Ending Inventory to Net Working Capital.") Firearms retailers continue to have a high proportion of their operating funds invested in inventory. This ratio is decreased from last year, because current liabilities have decreased causing working capital to rise. The balance sheet analysis confirms this.

1979	1978	1977	1976
133.5%	179.4%	133.8%	131.6%

Working Capital Turnover

(Formerly called "Net Sales to Net Working Capital.") The third measure of liquidity, the result below indicates that current liabilities decreased, causing working capital to increase relative to sales. This ratio for the firearms group is just about average for all retailers.

1979	1978	1977	1976
4.30	4.71	4.21	4.20

Current Debt to Equity

(Formerly called "Current Liabilities to Tangible Net Worth.") This ratio is the primary measure of solvency for sporting goods retailers. The ratio should be below 100 to indicate that owners' equity is sufficient to cover debt. Firearms retailers have slightly less debt than the average retailer.

1979	1978	1977	1976
75.6%	117.7%	67.2%	88.0%

CAMPING RETAILERS SURVEY RESULTS

HIGHLIGHTS FOR 1979

Participants — Repondents reporting a camping specialty this year represented 8% of the total, equal to the proportion of last year. This group generated 3% of total sales, slightly down from the 4% of last year.

Sales — Average sales for 1979 were $395,788, slightly down from the $417,814 average sales reported last year. Sales per square foot, however, were the highest for this group for the past four years, although below the average for all retailers.

Inventories — Inventory levels increased substantially, and inventory turnover decreased, continuing a three-year pattern.

Markup — Composite markup was 37.8% on sales and 60.9% on cost of goods sold, continuing the pattern of increases of the past three years.

Income Before Taxes — Income before taxes was 4.0% of sales, down from the 4.8% of last year. Camping retailers were able to decrease cost of goods sold, but operating expenses continued to rise.

Profitability — Although profitability for camping retailers is improving, they are still below average. This group is adequately liquid and quite solvent.

Definition

Participants in this survey were exclusively sporting goods retailers who are members of the National Sporting Goods Association. Retailers included in the Camping Retailers specialty group are those retailers reporting 25% or more of their 1979 sales from camping equipment.

Overview

Camping goods retailers represent 8% of total respondents but only 3% of total sales from all respondents, a similar result to last year.

The average camping retailers in 1979 had sales of $395,788 and employed 4 salespeople. This is a reduction from last year, when the average retailer had sales of $417,814 and employed 6 salespeople.

Most camping retailers are incorporated and operate a single store. All sales are made to individuals. A slightly larger proportion than last year reported sales of non-sporting goods equipment, indicating some expansion of the product lines.

Specific Results

The greatest number of responses were received from the smallest stores, but the greatest proportion of sales were generated by the largest stores. A similar result appeared in 1978, except that the largest proportion of sales were generated by the $500,000 to $1,000,000 sales volume group.

Although the same number of camping retailers responded from the Western as the Eastern section, the Western retailers had a significantly greater proportion of sales. A similar result appeared last year.

Although only 10% of the respondents had over 6,000 square feet of selling space, these retailers accounted for almost 40% of the sales. This result is consistent with the results from the 1978 survey.

CHARACTERISTICS OF PARTICIPANTS

		Percent of total Responses	Percent of total Sales
Sales Volume Groups	Less than $150,000	43	8
	$150,000 to $250,000	14	9
	$250,000 to $500,000	24	22
	$500,000 to $1,000,000	5	9
	Over $1,000,000	14	53
Customer Type Groups	Primarily Individuals	100	100
	Primarily Teams	0	0
Geographic Location Groups	Eastern	33	14
	South Central	14	3
	North Central	20	26
	Western	33	57
Product Line Groups	All Sporting Goods	86	92
	Some Nonsporting Goods	14	8
Legal Form Of Organization	Corporation	85	98
	Partnership	5	1
	Proprietorship	10	1
Number of Stores	1	85	60
	2	10	27
	3	5	13
	4	0	0
	5 or more	0	0
Square Feet of Selling Space	Less than 1,000	14	6
	1,000 to 2,000	38	21
	2,000 to 3,000	14	9
	3,000 to 4,000	5	9
	4,000 to 5,000	0	0
	5,000 to 6,000	0	0
	Over 6,000	10	39
	Not specified	19	16
Number of Sales People	1-5	80	39
	6-10	10	23
	11-15	5	13
	16-20	0	0
	21-30	5	25
	31 or more	0	0
	TOTAL	100%	100%

Composite

Camping retailers increased their inventory levels the most of all specialties, but did not correspondingly increase their turnover.

Sales volume increases remained high as in the prior year. Inventory levels increased substantially. Markup percent continued the three year pattern of increases. Inventory turnover continued the three year pattern of decreases. Sales per square foot were the highest for camping retailers for the past three years, but below the average for all retailers.

Sales Volume Groups

The smallest retailers increased sales the least, had the highest markup and a very low inventory turnover, resulting in the lowest sales per square foot.

Geographic Location Groups

The South Central group almost doubled sales volume but had below average increases in inventory and very low inventory turnover, resulting in very low sales per square foot.

The Eastern group had low inventory turnover but high markups, resulting in the highest sales per square foot.

COMPOSITE	1979	1978	1977	1976
Percent increase (decrease) in sales volume over previous year	26.6	28.4	14.9	20.1
Percent increase (decrease) in inventory at year-end	21.0	12.7	22.0	5.0
Realized markup percent on cost of goods sold	60.9	57.1	53.4	52.4
Realized markup percent on sales	37.8	36.3	34.8	34.4
Inventory turnover ratio	2.1	2.3	2.4	2.6
Sales per square foot of selling space	$123	$105	$ 98	$114

SALES AND INVENTORY ANALYSIS

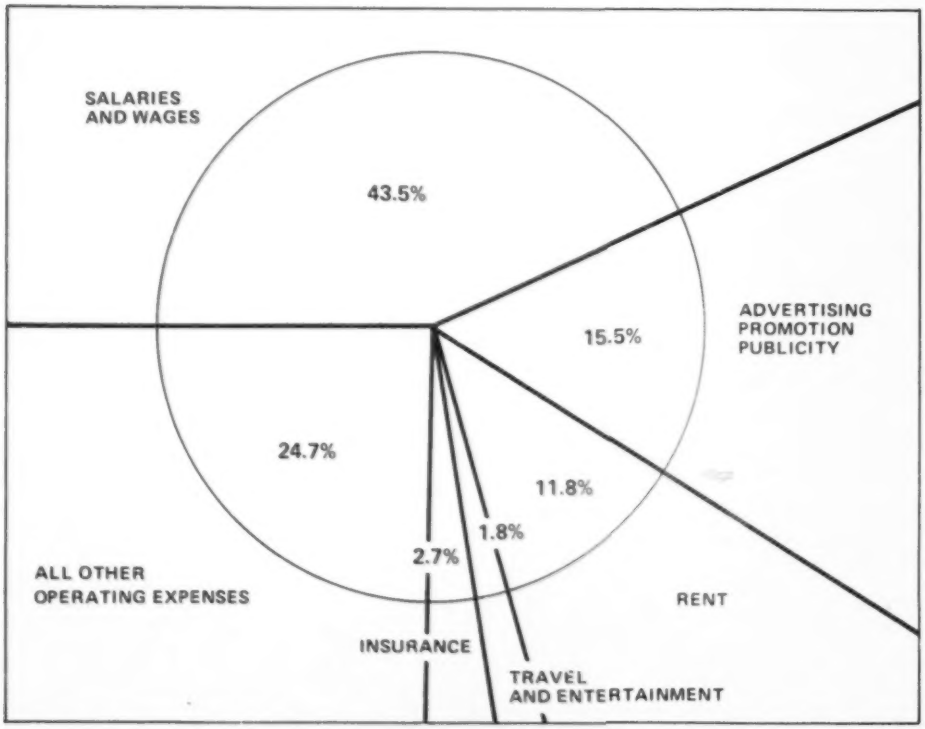
FOR 1979

GEOGRAPHIC LOCATION GROUPS	Composite	Eastern	South Central	North Central	Western
Percent increase (decrease) in sales volume over previous year	26.6	46.3	99.8	37.6	16.4
Percent increase (decrease) in inventory at year-end	21.0	28.1	15.1	22.1	18.8
Realized mark-up percent on cost of goods sold	60.9	66.1	45.0	58.1	61.9
Realized mark-up percent on sales	37.8	39.8	31.0	36.7	38.2
Inventory turnover ratio	2.1	1.7	1.5	1.8	2.5
Sales per square foot of selling space	$123	$168	$ 40	$109	$134

SALES VOLUME GROUPS	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Percent increase (decrease) in sales volume over previous year	17.0	29.8	34.3	77.2	19.1
Percent increase (decrease) in inventory at year-end	17.1	14.8	13.1	63.5	17.8
Realized mark-up percent on cost of goods sold	65.4	56.3	63.6	52.2	61.4
Realized mark-up percent on sales	39.5	36.0	38.9	34.3	38.0
Inventory turnover ratio	1.6	2.6	1.9	1.4	2.4
Sales per square foot of selling space	$ 52	$123	$186	$226	$114

Composite	The largest expenses for camping retailers were salaries and wages, advertising, rent and insurance. In general, results for camping retailers followed the trends for other groups.
Geographic Location Groups	The South Central group reported the lowest advertising and insurance and the highest rent. Other results were mixed.
Sales Volume Groups	The smallest retailers reported the lowest salaries and the highest rent. The largest retailers reported the highest salaries and advertising and the lowest rent and insurance. This is consistent with prior years' results.

RELATIONSHIP OF SELECTED EXPENSES TO TOTAL EXPENSES



COMPOSITE – 1979

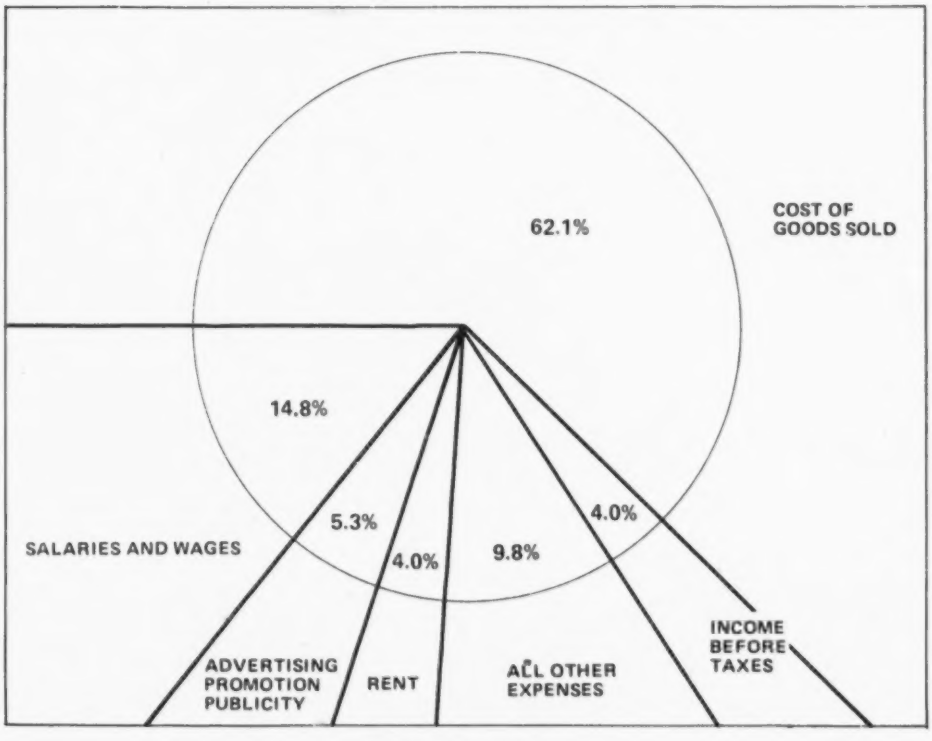
RELATIONSHIP OF INDIVIDUAL EXPENSES TO TOTAL EXPENSES — 1979

GEOGRAPHIC LOCATION GROUPS	Composite	Eastern	South Central	North Central	Western
Salaries and wages	43.5%	32.5%	37.3%	45.3%	45.8%
Payroll taxes	3.9	2.7	3.5	4.2	4.1
Licenses and other taxes, except income taxes	1.6	.8	4.1	1.7	1.7
Advertising, promotion and publicity	15.5	19.7	7.1	12.6	16.2
Professional services	1.8	1.5	.6	1.2	2.3
Rent	11.8	13.9	23.1	12.7	10.4
Repairs and maintenance	1.2	.8	1.6	.4	1.6
Light, heat and water	1.8	1.8	4.7	2.6	1.4
Auto and delivery expense	1.2	2.3	6.8	.7	.8
Depreciation	2.7	4.8	1.4	2.8	2.2
Store and office supplies	2.6	4.6	1.7	2.1	2.3
General postage	.4	2.3	-	.3	-
Telephone and telegraph	1.6	2.6	.9	1.4	1.5
Travel and entertainment	1.8	1.9	2.3	2.1	1.6
Dues and subscriptions	.3	.5	.6	.4	.2
Donations	.1	.4	.5	.1	-
Insurance	2.7	3.3	2.0	3.3	2.3
Collection expense	.7	1.9	-	.4	.6
Other operating expenses	4.8	1.7	1.8	5.7	5.0

SALES VOLUME GROUPS	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Salaries and wages	35.1%	46.7%	37.7%	Insufficient Response	47.0%
Payroll taxes	4.5	6.1	3.4		3.7
Licenses and other taxes, except income taxes	3.9	4.0	1.4		1.0
Advertising, promotion and publicity	11.3	8.4	16.8		17.3
Professional services	.8	.5	1.4		2.7
Rent	15.0	13.1	12.1		10.3
Repairs and maintenance	1.1	1.4	.9		1.3
Light, heat and water	3.9	2.0	1.8		1.6
Auto and delivery expense	4.0	2.1	1.8		.2
Depreciation	5.1	2.3	4.4		1.5
Store and office supplies	2.9	2.6	3.6		1.8
General postage	2.2	.3	.7		-
Telephone and telegraph	1.9	1.9	2.0		1.3
Travel and entertainment	1.2	3.0	2.0		1.2
Dues and subscriptions	.8	.6	.5		-
Donations	.3	.4	-		-
Insurance	2.7	2.8	4.2		1.9
Collection expense	.2	-	1.7		.4
Other operating expenses	3.1	1.8	3.6		6.8
Total Operating Expenses	100.0%	100.0%	100.0%	100.0%	100.0%

Composite	Operating expenses for camping retailers continued their steady, four-year rise. However, cost of goods sold decreased sufficiently to yield the highest operating profit in the past three years. Other income was a bit lower and other expense a bit higher, however, so 1979 net income declined a little from 1978 levels.
Sales Volume Groups	The small retailer reported a fairly substantial loss, partially caused by higher rent and utilities. The medium sized retailer had the highest net income.
Geographic Location Groups	The South Central group, in spite of lower than average operating expenses, sustained a loss for the year, primarily due to a higher cost of goods sold.

RELATIONSHIP OF SELECTED EXPENSES TO SALES



COMPOSITE – 1979

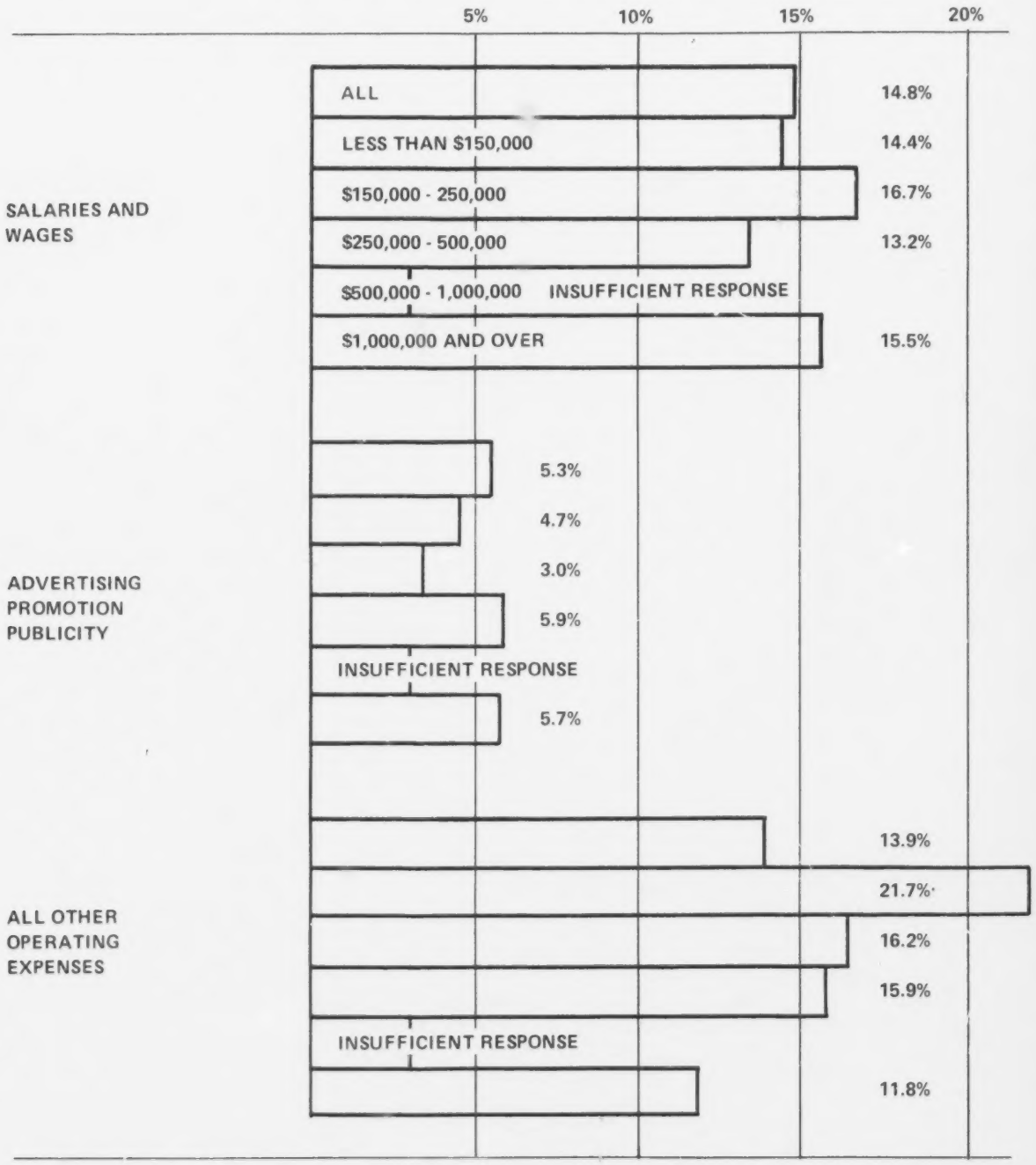
OPERATING RATIO ANALYSIS

AVERAGE — 1976-1979

	1979	1978	1977	1976
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	62.1	63.7	65.2	65.6
Gross profit	37.9	36.3	34.8	34.4
Operating expenses				
Salaries and wages	14.8	14.9	15.4	14.4
Payroll taxes	1.3	1.1	1.1	.8
Licenses and other taxes except income taxes	.5	.8	.5	.8
Advertising, promotion and publicity	5.3	4.6	4.3	2.6
Professional Services	.6	1.1	.6	.6
Rent	4.0	2.6	2.6	3.6
Repairs and Maintenance	.4	.3	.4	.5
Light, heat and water	.6	.5	.6	.5
Auto and delivery expense	.4	.5	.6	.3
Depreciation	.9	.8	.8	.7
Store and office supplies	.9	.8	.9	.5
General postage	.1	.1	.1	.1
Telephone and telegraph	.6	.5	.5	.7
Travel and entertainment	.6	.4	.5	.4
Dues and subscriptions	.1	-	-	.1
Donations	-	-	-	.1
Insurance	.9	1.0	1.1	1.1
Collection expense	.2	.1	.1	.4
Other operating expenses	1.8	2.5	2.0	1.4
Total operating expenses	34.0	32.6	32.1	29.6
Operating profit	3.9	3.7	2.7	4.8
Other income	1.3	1.5	.5	.3
	5.2	5.2	3.2	5.1
Other expense	1.2	.4	1.1	.8
INCOME BEFORE TAXES	4.0%	4.8%	2.1%	4.3%

BY SALES VOLUME GROUPS

SELECTED EXPENSES FOR 1979



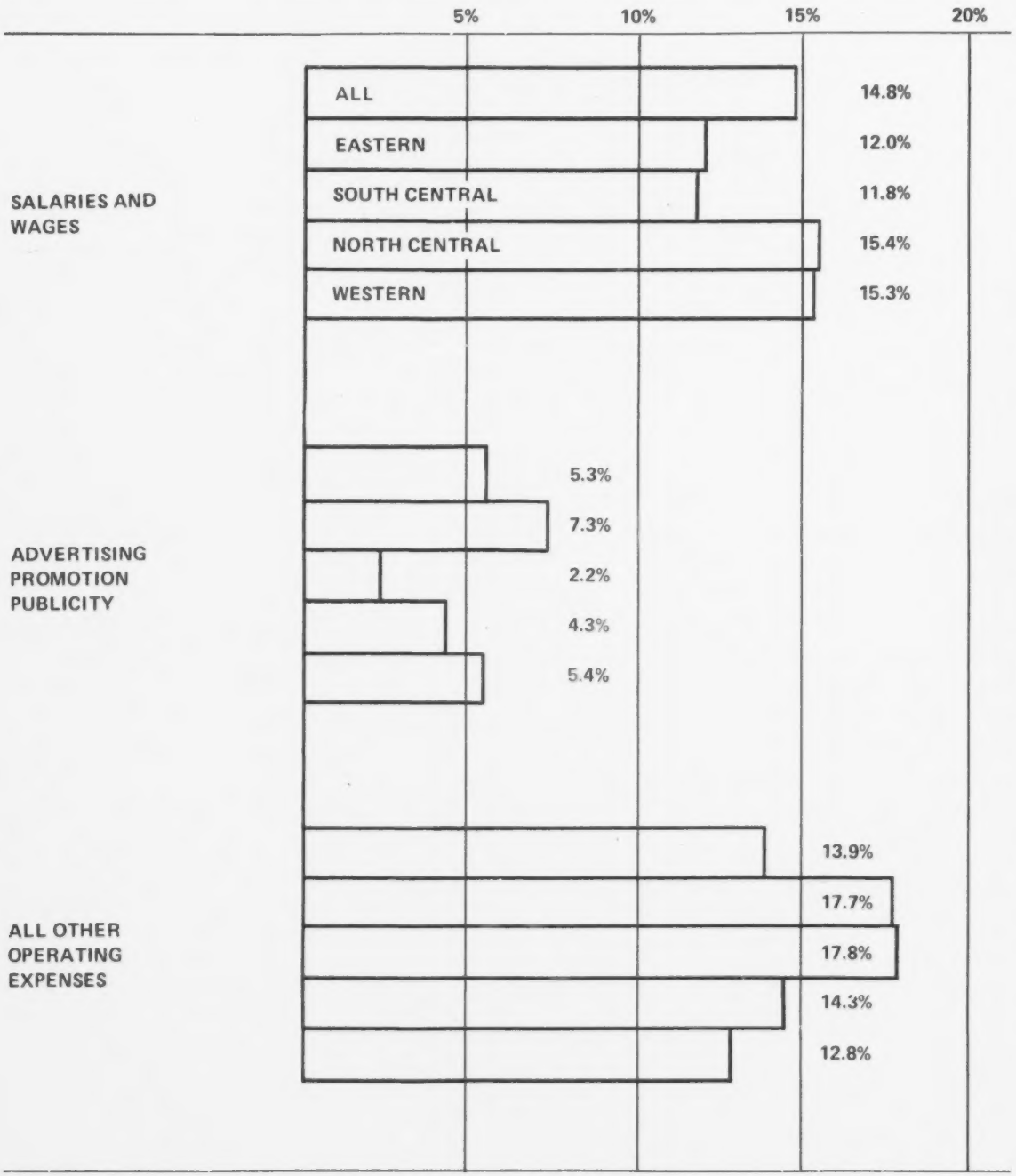
OPERATING RATIO ANALYSIS

BY SALES VOLUME GROUPS — 1979

OVERVIEW	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Net Sales	100.0%	100.0%	100.0%	100.0%	Insufficient Response	100.0%
Cost of Goods Sold	62.1	60.5	64.0	61.1		61.9
Gross Profit	37.9	39.5	36.0	38.9		38.1
Total Operating Expenses	34.0	41.0	35.9	35.0		33.0
Operating Profit	3.9	(1.5)	.1	3.9		5.1
Other income	1.3	.5	6.4	3.3		.2
	5.2	(1.0)	6.5	7.2		5.3
Other expense	1.2	2.2	1.0	1.1		1.0
INCOME BEFORE TAXES	4.0%	(3.2)%	5.5%	6.1%		4.3%

DETAIL	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
Salaries and wages	14.8%	14.4%	16.7%	13.2%	Insufficient Response	15.5%
Payroll taxes	1.3	1.8	2.2	1.2		1.2
Licenses and other taxes, except income taxes	.5	1.6	1.4	.5		.3
Advertising, promotion and publicity	5.3	4.7	3.0	5.9		5.7
Professional services	.6	.3	.2	.5		.9
Rent	4.0	6.1	4.7	4.2		3.4
Repairs and maintenance	.4	.5	.5	.3		.4
Light, heat and water	.6	1.6	.7	.6		.5
Auto and delivery expense	.4	1.7	.7	.6		.1
Depreciation	.9	2.1	.8	1.5		.5
Store and office supplies	.9	1.2	.9	1.3		.6
General postage	.1	.9	.1	.3		-
Telephone and telegraph	.6	.8	.7	.7		.4
Travel and entertainment	.6	.5	1.1	.7		.4
Dues and subscriptions	.1	.3	.2	.2		-
Donations	-	.1	.1	-		-
Insurance	.9	1.1	1.0	1.5		.6
Collection expense	.2	.1	-	.6		.1
Other operating expenses	1.8	1.2	.9	1.2		2.4
Total Operating Expenses	34.0%	41.0%	35.9%	35.0%		33.0%

SELECTED EXPENSES FOR 1979
BY GEOGRAPHIC LOCATION GROUPS



OPERATING RATIO ANALYSIS

BY GEOGRAPHIC LOCATION GROUPS — 1979

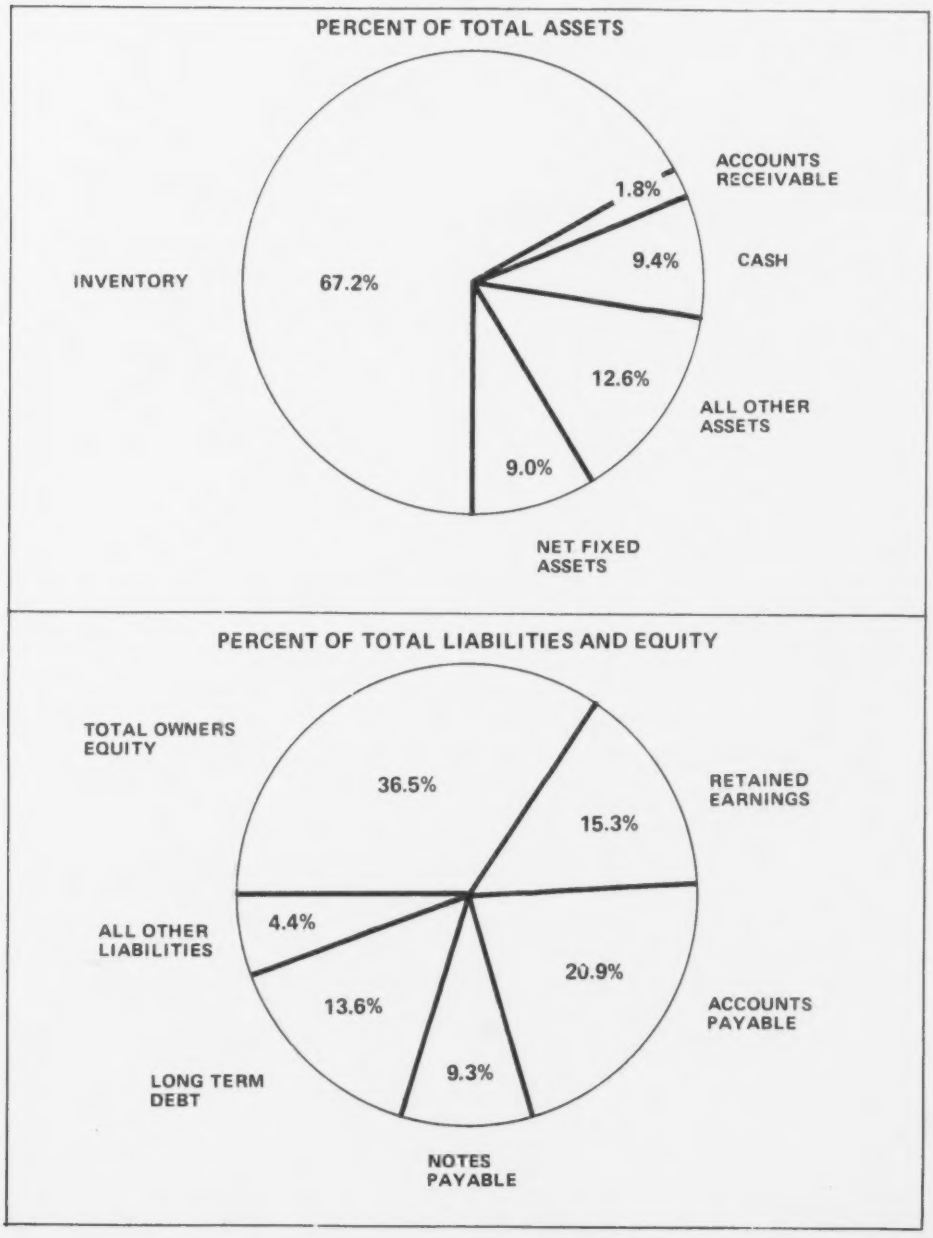
OVERVIEW	Composite	Eastern	South Central	North Central	Western
Net Sales	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	62.1	60.2	69.0	63.2	61.8
Gross Profit	37.9	39.8	31.0	36.8	38.2
Total Operating Expenses	34.0	37.0	31.8	34.0	33.5
Operating Profit	3.9	2.8	(.8)	2.8	4.7
Other income	1.3	5.5	.3	-	1.1
	5.2	8.3	(.5)	2.8	5.8
Other expense	1.2	1.9	.6	.9	1.2
INCOME BEFORE TAXES	4.0%	6.4%	(1.1)%	1.9%	4.6%

DETAIL	Composite	Eastern	South Central	North Central	Western
Operating expenses					
Salaries and wages	14.8%	12.0%	11.8%	15.4%	15.3%
Payroll taxes	1.3	1.0	1.1	1.4	1.4
Licenses and other taxes, except income taxes	.5	.3	1.3	.6	.6
Advertising, promotion and publicity	5.3	7.3	2.2	4.3	5.4
Professional services	.6	.5	.2	.4	.8
Rent	4.0	5.2	7.3	4.3	3.5
Repairs and maintenance	.4	.3	.5	.1	.5
Light, heat and water	.6	.7	1.5	.9	.5
Auto and delivery expense	.4	.9	2.2	.2	.3
Depreciation	.9	1.8	.5	.9	.7
Store and office supplies	.9	1.7	.5	.7	.8
General postage	.1	.9	-	.1	-
Telephone and telegraph	.6	1.0	.3	.5	.5
Travel and entertainment	.6	.7	.7	.7	.5
Dues and subscriptions	.1	.2	.2	.1	.1
Donations	-	.1	.2	-	-
Insurance	.9	1.2	.6	1.1	.8
Collection expense	.2	.7	-	.1	.2
Other operating expenses	1.8	.5	.7	2.2	1.6
Total Operating Expenses	34.0%	37.0%	31.8%	34.0%	33.5%

Composite

Results for camping retailers were very similar to those reported last year. The ratio of current assets to fixed assets is almost identical.

Long-term debt is up slightly from last year, while owners' equity is down slightly.



BALANCE SHEET RATIO ANALYSIS

BY SALES VOLUME GROUPS — 1979

ASSETS	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
CURRENT ASSETS						
Cash	9.4%	5.1%	6.5%	12.5%		8.1%
Accounts receivable	1.8	1.1	1.0	4.4		1.3
Inventory	67.2	38.8	60.3	69.3		78.2
Prepaid expenses	1.6	.2	.9	2.8		2.0
Other current assets	1.2	1.0	4.5	.2		1.5
Total current assets	81.2	46.2	73.2	89.2		91.1
FIXED ASSETS						
Fixtures and Equipment	9.4	6.2	8.8	9.9		11.4
Autos and trucks	1.6	1.9	9.3	2.5		-
Leasehold improvements	2.0	1.7	3.9	4.2		1.0
Buildings	1.4	7.5	-	-		-
Land	.3	1.6	-	-		-
Less acc. depr.	5.7	2.8	8.9	9.6		4.9
Net fixed assets	9.0	16.1	13.1	7.0		7.5
Other assets	9.8	37.7	13.7	3.8		1.4
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%		100.0%

Insufficient Response

LIABILITIES AND OWNERS' EQUITY	Composite	Under $150M	$150M-$250M	$250M-$500M	$500M-$1,000M	Over $1,000M
CURRENT LIABILITIES						
Accounts payable	20.9%	5.7%	12.4%	29.7%		10.4%
Sales tax payable	1.1	.2	.8	1.3		1.3
Notes payable including current portion of long-term debt	9.3	7.1	15.7	6.0		12.9
Accrued expenses/wages	.6	-	.2	.5		1.0
Taxes	.9	.4	2.1	1.8		.2
Other accr. liabilities	1.8	.8	.1	3.6		2.4
Total Current Liabilities	34.6	14.2	31.3	42.9		28.2
LONG-TERM DEBT						
Mortgages	.7	4.0	-	-		-
Long-term loans	17.6	15.9	27.9	24.6		12.9
Less current portion of long-term loans	4.7	-	-	-		12.3
Total Liabilities	48.2	34.1	59.2	67.5		28.8
EQUITY						
Capital stock or owners' equity	31.4	64.3	16.3	10.0		39.8
Paid-in capital	5.1	.5	-	14.2		4.5
Retained earnings	15.3	1.1	24.5	8.3		26.9
Total Equity	51.8	65.9	40.8	32.5		71.2
TOTAL LIABILITIES AND EQUITY	100.0%	100.0%	100.0%	100.0%		100.0%

Insufficient Response

BALANCE SHEET RATIO ANALYSIS

BY GEOGRAPHIC LOCATION GROUPS — 1979

ASSETS	Composite	Eastern	South Central	North Central	Western
CURRENT ASSETS					
Cash	9.4%	9.3%	10.9%	8.3%	9.9%
Accounts receivable	1.8	3.2	4.0	.5	1.7
Inventory	67.2	44.3	79.3	76.1	73.5
Prepaid expenses	1.6	1.4	.4	.6	2.4
Other current assets	1.2	.6	.7	1.1	1.6
Total current assets	81.2	58.8	95.3	86.6	89.1
FIXED ASSETS					
Fixtures and Equipment	9.4	3.8	5.1	15.7	9.0
Autos and trucks	1.6	2.1	.5	.6	2.1
Leasehold improvements	2.0	3.0	.1	-	2.8
Buildings	1.4	5.5	-	-	-
Land	.3	1.2	-	-	-
Less acc. depr.	5.7	4.3	1.0	5.0	7.2
Net fixed assets	9.0	11.3	4.7	11.3	6.7
Other assets	9.8	29.9	-	2.1	4.2
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%

LIABILITIES AND OWNERS' EQUITY	Composite	Eastern	South Central	North Central	Western
CURRENT LIABILITIES					
Accounts payable	20.9%	22.3%	10.6%	38.3%	10.2%
Sales tax payable	1.1	.6	-	1.3	1.3
Notes payable including current portion of long-term debt	9.3	8.2	9.5	22.4	1.7
Accrued expenses/wages	.6	-	-	.9	.7
Taxes	.9	1.6	.2	1.1	.3
Other accr. liabilities	1.8	2.8	2.7	.8	2.2
Total Current Liabilities	34.6	35.5	23.0	64.8	16.4
LONG-TERM DEBT					
Mortgages	.7	2.9	-	-	-
Long-term loans	17.6	12.5	10.7	28.3	14.5
Less current portion of long-term loans	4.7	-	-	17.4	-
Total Liabilities	48.2	50.9	33.7	75.7	30.9
EQUITY					
Capital stock or owners' equity	31.4	44.6	64.7	6.2	36.8
Paid-in capital	5.1	9.1	-	1.1	5.7
Retained earnings	15.3	(4.6)	1.6	17.0	26.6
Total Equity	51.8	49.1	66.3	24.3	69.1
TOTAL LIABILITIES AND EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%

All the ratios have been calculated using pretax financial information. In the glossary on page 126 are given definitions of each ratio, the calculations used, and the standard ranges for each ratio of related retail industries from Troy Almanac of Business and Industrial Financial Ratios, 1979 edition.

Return on Common Equity

(Formerly called "Net Sales to Tangible Net Worth.") The result for this ratio in 1979 continues the range for the past two years. This measure of profitability indicates that camping retailers generated below average profit for the year.

1979	1978	1977	1976
3.60	4.02	3.53	5.03

Return on Investment

(Formerly called "Net Profits to Tangible Net Worth.") The primary measure of profitability, the trend for the past three years for camping retailers has been upward. However, this ratio still indicates below average profitability for this group.

1979	1978	1977	1976
20.4%	18.8%	15.8%	25.0%

Return on Working Capital

(Formerly called "Net Profits to Net Working Capital.") Another measure of profitability, this ratio confirms that this specialty group continues to improve its profit picture. This ratio is at the average for all retailers.

1979	1978	1977	1976
26.4%	21.5%	18.2%	30.1%

Current Ratio

(Formerly called "Current Assets to Current Liabilities.") The primary measure of liquidity, the current ratio is down again from last year, although it is still well above average and comfortably above the desired 2.00, indicating that camping retailers maintain a more liquid position.

1979	1978	1977	1976
2.24	2.50	2.67	2.00

Ending Inventory to Working Capital

(Formerly called "Ending Inventory to Net Working Capital.") Camping retailers have a lot of working capital invested in inventory, well above average. This group has increased this ratio for the past three years.

1979	1978	1977	1976
135.5%	120.4%	118.4%	153.9%

Working Capital Turnover

(Formerly called "Net Sales to Net Working Capital.") Working capital turnover is slightly down from last year, reflecting the slight decrease in sales. This ratio is a little below the average for all retailers.

1979	1978	1977	1976
4.23	4.26	3.99	4.77

Current Debt to Equity

(Formerly called "Current Liabilities to Tangible Net Worth.") This ratio is the primary measure of solvency for sporting goods retailers. The ratio should be below 100 to indicate that owners' equity is sufficient to cover debt. Camping retailers continue to maintain a very solvent position, having almost two equity dollars to cover every current debt dollar.

1979	1978	1977	1976
40.2%	51.0%	43.1%	76.9%

Accelerated depreciation:	Any method of calculating depreciation expense where the expense is greater in the earlier years and becomes progressively smaller thereafter. Types of accelerated depreciation are double-declining-balance and sum-of-the-year's digits methods.
Accounts Payable:	A liability representing an amount owed to a creditor, usually arising from purchase of merchandise or materials and supplies.
Accounts Receivable:	An asset representing a claim against a debtor, usually arising from sales or services rendered.
Accrued:	An expense that has been incurred but not paid or income earned but not received.
Accumulated Depreciation:	A contra-asset account that shows the total depreciation charges accumulated on an asset since its acquisition.
Additional Paid-in Capital:	The technically correct name for "paid-in capital." The amount received by the issuer for capital stock in excess of par value.
Allowance for Depreciation:	See Accumulated Depreciation.
Allowance for Uncollectibles:	A contra account to Accounts Receivable that shows the estimated amount of accounts receivable that will not be collected. When such an allowance is used, the actual write-off of specific accounts receivable does not affect revenue or expense at the time of the write-off. The revenue reduction is recognized when the allowance is credited; the amount of the credit to the allowance may be based on a percentage of credit sales.
Amortization:	The process of allocating the acquisition cost of an asset to the period of benefit (which usually equals the depreciable life).

Annual Report:	A report for stockholders and other interested parties prepared once a year; includes a balance sheet, an income statement, a statement of changes in financial position, a statement of changes in owners' equity accounts, a summary of significant accounting principles, other expanatory notes, the auditor's report, and perhaps, comments from management about the year's events.
Asset:	An item owned by the enterprise, such as cash, receivables or inventory. An asset may be tangible or intangible, short-term (current) or long-term (noncurrent).
Bad Debt:	An expense account, defined as an account receivable that either has become uncollectible or that is estimated to be uncollectible in the future.
Bad Debt Recovery:	Any subsequent collection of a specific account receivable previously written of as uncollectible.
Balance Sheet:	The statement of financial position which lists at a point in time all items that make up the accounting equation of total assets = total liabilities + owners' equity.
Beginning Inventory:	Valuation of inventory on hand at the beginning of the accounting period.
Capital Contributed in Excess of Par:	See Additional Paid-in Capital.
Capital Stock:	The ownership shares of a corporation. This term includes all classes of common and preferred stock.
Cash:	An asset account representing currency and coins, negotiable checks, and balances in bank accounts.
Common Stock:	Stock representing the class of owners who have residual claims on the assets and earnings of a corporation after all debt and preferred stockholders' claims have been met.

Common Stockholders' Equity:	Equivilent to owners' equity less preferred stock. (See also Owners' Equity.)
Contra account:	An account, such as accumulated depreciation, that accumulates subtractions from another account, such as machinery.
Corporation:	A legal entity authorized by a state to operate under the rules of the entity's charter.
Cost of Goods Sold:	An expense account representing the costs of the inventory that has been sold for the period; equals beginning inventory plus cost of goods purchased minus ending inventory.
Customer Type:	As used in this survey, retailers selling only sporting goods are classified as "pure;" those selling other lines in addition to sporting goods are classified as "mixed."
Current Asset:	Cash and other assets that are expected to be turned into cash, sold, or consumed within the normal operating cycle of the firm, usually one year. Current assets include cash, marketable securities, receivables, inventory, and current prepayments.
Current Liability:	A debt or other obligation that must be discharged within the current operating cycle (usually one year) of the firm.
Current (Gross) Margin:	See Gross Profit
Depreciation:	Amortization of property, plant and equipment assets.
Discount:	A reduction from list price. A discount, purchase discount, or sales discount is offered for prompt payment. A trade discount is offered to all customers of a certain type. A quantity discount is granted as quantity purchased or sold increases.

Ending Inventory:	The cost of inventory on hand at the end of the accounting period, often called "closing inventory." The cost of inventory to be carried to the subsequent period.
Equipment:	Tangible personal property used in a trade or business to produce, directly or indirectly, goods or services for sale.
Equity:	See Owners' Equity.
Expense:	The cost of assets used up in producing revenue. Do not confuse with expenditure or disbursement, which may occur before, when, or after the related expense is recognized.
FIFO:	First-in, first-out. An inventory flow assumption by which ending inventory cost is determined from most recent purchases and cost of goods sold is the cost of the oldest purchases including beginning inventory.
Financial Statements:	See Annual Report.
Fixed Assets:	Buildings, machinery, land, and natural resources. Also known as "property, plant, and equipment."
Fixture:	Tangible personal property used in a trade or business which is temporarily attached to a building or land (real property). If the property is attached permanently, it becomes real property.
Gross Profit:	Net sales minus cost of goods sold. Also known as Gross Margin.
Gross Profit Percentage:	Gross profit divided by net sales.
Income Statement:	The statement of revenues, expenses, gains and losses for the period, ending with net income for the period. Sometimes known as Statement of Earnings or Statement of Operations.

Inventory:	An asset account for goods meant to be sold in the course of business to produce revenue.
Leasehold Improvement:	An improvement to leased property. A leasehold improvement should be amortized over the shorter of the life of the improvement or the life of the lease.
Liability:	A legal obligation to pay a definite or reasonably certain amount at a definite or reasonably certain time in return for a current benefit.
LIFO:	Last-in, first-out. An inventory flow assumption where the cost of goods sold is the cost of the most recently acquired units and the ending inventory cost is determined from costs of the oldest units including beginning inventory.
Markup:	An amount added to the price of a product. Usually expressed as a percentage of selling price. This term is often misapplied to an amount originally added to cost to obtain list price, which is then expressed as a percentage of cost. This survey uses both definitions, as they are both in common use by retailers; the first is identified as "markup on sales" and the second as "markup on cost."
Markup Percentage:	Markup divided by selling price.
Mortgage:	A claim given by the borrower (mortgager) to the lender (mortgagee) against the borrower's property in return for a loan.
Net Sales:	Sales (at gross invoice amount) less returns, allowances, and discounts taken.
Net Worth:	A misleading term meaning the same as owners' equity.
Net Working Capital:	Working capital; the "net" is redundant in accounting.

Note: An unconditional written promise by the maker (borrower) to pay a certain amount on demand or at a certain future time to the holder (lender) of the note.

Operating Expense: An expense incurred in the ordinary course of business. Frequently, a narrower classification includes only selling, general, and administrative expenses, thereby excluding cost of goods sold, interest, and income tax expenses.

Operating Profit: Net revenues from sales minus cost of goods sold. Also called Operating Margin.

Overhead Costs: Any cost not specifically or directly associated with the production or sale of identifiable goods and services. Usually allocated on some arbitrary basis to specific products or departments. Also called Indirect Costs or Burden.

Owners' Equity: For a corporation, this is defined as the sum of outstanding capital stock (common and preferred), paid-in capital and retained earnings. For a proprietorship or partnership, it is the sum of all capital accounts. This term is also used to denote assets minus liabilities. (See also Capital Stock.)

Paid-in Capital: See Additional Paid-in Capital.

Par Value: Face amount of a security, especially stock.

Partnership: Contractual arrangement between individuals to share resources, operations, and profits in a jointly run business.

Pension Fund: A fund, the assets of which are to be paid to retired ex-employees, usually as a life annuity.

Plant Assets: See Fixed Assets.

Preferred Stock:	Capital stock with a claim to income or assets after bondholders but before common stock.
Prepaid Expense:	A prepayment, such as for rent or insurance premiums that still have future benefits and are assets.
Product Line:	As used in this survey, retailers are classified based on whether more than half of their sales volume results from sales to individuals or to teams.
Profit Margin:	See Operating Profit.
Property, Plant and Equipment:	The technically correct term for fixed assets. See Fixed Assets.
Proprietorship:	All owners' equity belongs to one person.
Ratios:	See page 126 of the Glossary.
Rent:	A charge for the use of land, buildings, or other assets owned by an entity other than the rentor.
Reserve for Depreciation:	An unacceptable term. See Accumulated Depreciation.
Retained Earnings:	Net income accumulated over the life of a corporation less all income distributions, such as dividends.
Revenue:	Monetary value received for services rendered or inventory sold. Do not confuse with receipt of funds which may occur before, when, or after revenue is recognized.
Salary:	Compensation earned by managers, administrators, or professionals, not based on an hourly rate. Contrast with wage.

Sole Propietorship:	See Proprietorship.
Statement of Changes in Financial Position:	A statement which explains the changes in working capital (or cash) balances during a period and shows the changes in the working capital (or cash) accounts themselves. Sometimes called the Funds Statement.
Stockholders' Equity:	See Owners' Equity.
Wage:	Compensation of employees based on time worked or output of product, based on an hourly rate.
Working Capital:	Current assets minus current liabilities; can be used as a measure of the liquidity of the business.

DEFINITIONS OF RATIOS

PROFITABILITY RATIOS: These ratios, also called Operating Ratios, are measures of profitability.

Return on Assets:	(Also called Return on Total Capital.) Pretax net income, plus interest expense net of tax effect, divided by average total assets (or average total equity -- either side of the balance sheet can be used as the denominator).
Return on Common Equity:	(Formerly called Net Sales to Tangible Net Worth.) Net income minus preferred stock dividends divided by average common stockholders' equity. For a retail establishment, net sales for the year are divided by owner's equity at year end. This ratio provides an indication of how actively a business is putting owners' capital to work and is the most common measure of profitability for retailers. Sporting goods retailers have a historical overall average of 4.2.

Return on Investment: (Formerly called Net Profits to Tangible Net Worth.) Net income minus preferred stock dividends divided by outstanding capital stock, paid-in capital and retained earnings at year end less any intangible assets. This ratio is the principle indication of profitability for all firms. Sporting goods retailers have a historical overall average of 26.6%.

Inventory Turnover: Cost of goods sold divided by average inventory. (Average inventory is usually defined as beginning inventory plus ending inventory divided by 2.) A measure of the number of times the average inventory has been sold during the period; can be used as an indication of how efficiently the operation is run.

Return on Sales: (Also called Profit Margin on Sales.) Net income divided by net sales.

Return on Working Capital: (Formerly called Net Profits to Net Working Capital.) A ratio used primarily by retailers which measures profit generated by working capital. Net income divided by working capital at year end. Sporting goods retailers have a historical average of 28.3%.

LIQUIDITY RATIOS: Also called Short-term Solvency Ratios, these ratios are an analysis of a firm's working capital position and measure the firm's ability to meet current obligations.

Current Ratio: (Formerly called Current Assets to Current Liabilities.) (Also called Working Capital Ratio.) Total current assets at year end divided by current liabilities at year end. Sporting goods retailers in general average 2.4, which is higher than the "ideal" 2.0.

Acid-Test Ratio: (Also called the Quick or Quick Current Ratio.) Quick assets (cash, marketable securities, and receivables) divided by current liabilities. An average of 1:1 is considered adequate.

Accounts Receivable Turnover: Net credit sales divided by average net accounts receivable. A measure of how quickly the accounts receivable are converted to cash.

Ending Inventory to Working Capital: (Formerly called Ending Inventory to Net Working Capital.) Ending inventory divided by working capital at year end. This ratio determines the portion of working capital invested in inventory. Sporting goods retailers as a whole have a historical average of 132.3%.

Working Capital Turnover: (Formerly called Net Sales to Net Working Capital.) Net sales divided by working capital at year end. This ratio is a measure of the rate at which a business turns over its working capital through the sales dollar. Sporting goods retailers range from 4.5 to 5.3.

LONG-TERM SOLVENCY RATIOS: These ratios, also called Coverage Ratios, are used to assess the firm's ability to meet interest and principal payments on long-term debt and similar obligations as they become due.

Debt:Equity Ratio: (Formerly called Current Liabilities to Tangible Net Worth.) The most common measure of solvency. Total liabilities divided by total equity (liabilities plus stockholders' equity). This ratio indicates to what extent a business relies on its creditors to finance its operations. The higher the ratio, the more leverage the firm has. (This ratio can also be used to indicate the extent to which current creditors are covered by the owner's investment by limiting the numerator to current liabilities.) The current debt to equity ratio for sporting goods retailers in general, as a historical average, ranges from 80.0% to 100.0%.

Debt (:Asset) Ratio: Total liabilities (or creditors' equity) at year end divided by total assets at year end.

Equity Ratio: Common stockholders' equity divided by total assets at year end.

GEOGRAPHIC LOCATION GROUPS